ကန့်သတ်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

စာအမှတ်၊ ရက-၅(စ)/၀၀၇-၀၁၂/၂၀၁၅(၈၆)
ရက်စွဲ၊ ၂၀၁၅ ခုနှစ် မတ်လ ၁၇ ရက်

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့
တင်ပြသည့်အမှာစာ

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြား ရေနံကုမ္ပဏီ ၇ ခုတို့မှ ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15 ၊ လုပ်ကွက် M-17၊ လုပ်ကွက် M-18နှင့် ကမ်းလွန် ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 နှင့် လုပ်ကွက် MD-4 တို့၌ ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ် များ (Production Sharing Contract- PSC) ချုပ်ဆို၍ ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ရန် အဆိုပြုတင်ပြလာခြင်း ကိစ္စ**

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အောက်ပါကုမ္ပဏီများ သည် ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် မုတ္တမကမ်းလွန်လုပ်ကွက် M-7၊ တနင်္သာရီ ကမ်းလွန်လုပ်ကွက်များဖြစ်သည့် M-15၊ M-17 နှင့် M-18၊ ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် မုတ္တမကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-4 တို့ တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန် အတွက် ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contract-PSC) ချုပ်ဆို ဆောင်ရွက်ခွင့်ပြုပါရန် စွမ်းအင်ဝန်ကြီးဌာနမှ တစ်ဆင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ အဆိုပြု တင်ပြလာပါသည်။

စဉ်	လုပ်ကွက်အမှတ်	ကုမ္ပဏီအမည်	ထည့်ဝင်မှု အချိုး
(က)	M-7 (မုတ္တမကမ်းလွန် လုပ်ကွက်)	- ROC Oil (Myanmar) Pte. Ltd. (Singapore)	၅၉.၃၇၅%
		- TAP Energy (M-7) Pte. Ltd. (Singapore)	၃၅.၆၂၅%
		- Smart E&P International Company Limited (Myanmar)	၅.၀၀၀%

(ခ)	M-15 (တနင်္သာရီကမ်းလွန်လုပ်ကွက်)	- TRG M15 Pte. Ltd. (Singapore)	၁၀%
		- CFG Energy Pte.Ltd.(Singapore)	၈၀%
		- Century Bright Gold Co., Ltd. (Myanmar)	၁၀%
(ဂ)	M-17 (တနင်္သာရီကမ်းလွန်လုပ်ကွက်)	- Reliance Industries Limited (Singapore)	၉၆%
		- United National Resources Development Services Co., Ltd. (Myanmar)	၄%
(ဃ)	M-18 (တနင်္သာရီကမ်းလွန်လုပ်ကွက်)	- Reliance Industries Limited (Singapore)	၉၆%
		- United National Resources Development Services Co., Ltd. (Myanmar)	၄%
(င)	MD-2 (မုတ္တမကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်)	- Eni Myanmar B.V.(Netherlands)	၈၀%
		- Petrovietnam Exploration Production Corporation Limited (Vietnam)	၂၀%
(စ)	MD-4 (တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်)	- Eni Myanmar B.V. (Netherlands)	၈၀%
		- Petrovietnam Exploration Production Corporation Limited (Vietnam)	၂၀%

၂။ အဆိုပါကမ်းလွန်လုပ်ကွက် (၆) ကွက်၏ ရင်းနှီးမြှုပ်နှံမှုပမာဏများမှာ တစ်ဘက်ပါအတိုင်း ဖြစ်ပါသည်-

စဉ်	လုပ်ကွက်အမှတ်	ရင်းနှီးမြှုပ်နှံမှုပမာဏ အမေရိကန်ဒေါ်လာ(သန်း)
(က)	M-7 (မုတ္တမကမ်းလွန် လုပ်ကွက်)	၁၁၀.၇၅
(ခ)	M-15 (တနင်္သာရီကမ်းလွန် လုပ်ကွက်)	၁၃၁.၀၀
(ဂ)	M-17 (တနင်္သာရီကမ်းလွန် လုပ်ကွက်)	၁၁၆.၄၅
(ဃ)	M-18 (တနင်္သာရီကမ်းလွန် လုပ်ကွက်)	၉၁.၄၅
(င)	MD-2 (မုတ္တမကမ်းလွန် ရေနက်ပိုင်း လုပ်ကွက်)	၂၁၉.၈၅
(စ)	MD-4 (တနင်္သာရီကမ်းလွန် ရေနက်ပိုင်း လုပ်ကွက်)	၂၁၀.၆၀

၃။ လုပ်ကွက် ၆ ခု တွင် တင်ဒါအောင်မြင်ခဲ့သည့် ကုမ္ပဏီများအကြား (Memorandum of Understanding-MOU) ကို မုတ္တမကမ်းလွန်လုပ်ကွက် M-7 အတွက် ၂၀၁၃ ခုနှစ် နိုဝင်ဘာလ ၁၃ ရက်နေ့တွင် လည်းကောင်း၊ Joint Operating Agreement ကို တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-15 အတွက် ၂၀၁၄ ခုနှစ် အောက်တိုဘာလ ၂၀ ရက်နေ့တွင် လည်းကောင်း၊ Joint Bidding Agreement ကို တနင်္သာရီကမ်းလွန်လုပ်ကွက်များဖြစ်သည့် M-17 နှင့် M-18 တို့အတွက် ၂၀၁၃ ခုနှစ် နိုဝင်ဘာလ ၁၁ ရက်နေ့တွင်လည်းကောင်း၊ Memorandum of Agreement ကို မုတ္တမကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-4 အတွက် ၂၀၁၃ ခုနှစ် နိုဝင်ဘာလ ၁၁ ရက်နေ့တွင် လည်းကောင်း လက်မှတ်ရေးထိုးပြီးဖြစ်ကြောင်း တင်ပြထားပါသည်။

၄။ လုပ်ကွက်အသီးသီးအတွက် အဆိုပြုချက်များနှင့်အတူ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘောထားမှတ်ချက်၊ ဘဏ္ဍာရေးဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်၊ အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်၊ မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်၏ သဘောထားမှတ်ချက်များနှင့် ပြည်ထောင်စုရှေ့နေချုပ်ရုံး၏ သဘောထားမှတ်ချက်နှင့်အညီ ပြင်ဆင်ထားသည့်

မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့ လုပ်ငန်းနှင့်သက်ဆိုင်ရာ ကုမ္ပဏီများအကြား လက်မှတ်ရေးထိုးမည့် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး သဘောတူညီချက်စာချုပ် (Production Sharing Contracts-PSC) (မူကြမ်း)များနှင့် လုပ်ငန်းတည်နေရာပြ မြေပုံများကို တင်ပြထားပါသည်။

၅။ ရေနံလုပ်ငန်းသုံး ယာဉ်ယန္တရားများ၊ စက်ပစ္စည်းကိရိယာများ အပါအဝင်လိုအပ်သောပစ္စည်းများ၏ ခန့်မှန်းစာရင်းကို နှစ်စဉ် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းသို့ Work Program တင်ပြသည့်အချိန်တိုင်းတွင် တင်ပြရန် ယခုချုပ်ဆိုမည့် စာချုပ်(မူကြမ်း)များတွင် ညှိနှိုင်းထည့်သွင်းထားပြီး ဖြစ်ပါသည်။

၆။ ရေနံလုပ်ငန်းအတွက်လိုအပ်သည့် ပစ္စည်းနှင့် ဝန်ဆောင်မှုလုပ်ငန်းများဈေးနှုန်းနှင့် အရည်အသွေးတူညီပါက မြန်မာနိုင်ငံတွင်းမှ ထုတ်လုပ်ရရှိသော ပစ္စည်းနှင့်ဝန်ဆောင်မှုလုပ်ငန်းများ၊ မြန်မာတိုင်းရင်းသားများမှ တင်သွင်းဆောင်ရွက်ပေးသော ပစ္စည်းနှင့်ဝန်ဆောင်မှု လုပ်ငန်းများအား မဖြစ်မနေ ဦးစားပေးရမည်ဖြစ်ကြောင်းနှင့် ကန်ထရိုက်တာမှ နှစ်စဉ်ဆောင်ရွက်မည့် Budget ၏ ၂၅% ကို မြန်မာနိုင်ငံတွင်းမှ ထုတ်လုပ်ရရှိသောပစ္စည်းနှင့် ဝန်ဆောင်မှုလုပ်ငန်းများ၊ မြန်မာတိုင်းရင်းသားများမှ တင်သွင်းဆောင်ရွက်ပေးသော ပစ္စည်းနှင့် ဝန်ဆောင်မှု လုပ်ငန်းများအား မဖြစ်မနေ ဦးစားပေးရမည်ဖြစ်ကြောင်းကို စာချုပ်(မူကြမ်း)များ တွင် ထည့်သွင်းဖော်ပြထားပါသည်။

၇။ ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် မုတ္တမကမ်းလွန်လုပ်ကွက် M-7၊ တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-15 နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် မုတ္တမကမ်းလွန်လုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်လုပ်ကွက် MD-4 တို့တွင် ရေနံ နှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့ လုပ်ငန်းနှင့် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contract-PSC) ချုပ်ဆိုဆောင်ရွက်ခွင့်ပြုပါရန်ကိစ္စနှင့် စပ်လျဉ်း၍ ပြည်ထောင်စုအစိုးရအဖွဲ့စီးပွားရေးရာကော်မတီ ၏ ၂၀၁၅ ခုနှစ် ဇန်နဝါရီလ ၁ ရက်နေ့တွင် ကျင်းပသော (၁/၂၀၁၅) အစည်းအဝေး နှင့် ကမ်းလွန် ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-17 နှင့် M-18 တို့အတွက် ပြည်ထောင်စုအစိုးရအဖွဲ့စီးပွားရေးရာကော်မတီ ၏ ၂၀၁၅ ခုနှစ် ဇန်နဝါရီလ ၁၆ ရက်နေ့တွင် ကျင်းပ သော (၂/၂၀၁၅) အစည်းအဝေးတို့တွင် တင်ပြခဲ့ပြီးဖြစ်၍ စုစုပေါင်းလုပ်ကွက် (၆)ခု အတွက် ပြည်ထောင်စုအစိုးရအဖွဲ့၏ ၂၀၁၅ခုနှစ် ဖေဖော်ဝါရီလ ၁၃ ရက်နေ့တွင် ကျင်းပသော (၄/၂၀၁၅) အစည်းအဝေးတွင် တင်ပြခဲ့ပြီး အစည်းအဝေးဆုံးဖြတ်ချက်များကို ပူးတွဲတင်ပြထားပါသည်။

၈။ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့်ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေး စာချုပ်များ (Production

Sharing Contract-PSC) တွင် သဘာဝ ပတ်ဝန်းကျင် ထိန်းသိမ်းရေး စီမံခန့်ခွဲမှု အစီ အစဉ် (EMP)၊ သဘာဝပတ်ဝန်းကျင်ထိခိုက်မှု လေ့လာဆန်းစစ်ချက်(EIA)၊ လူမှုရေးထိခိုက်မှုလေ့လာဆန်းစစ်ချက် (SIA) တို့အား ကော်မရှင်၏ သဘောထားရပြီး ၆ လ မှ အချိန်ကာလတစ်ခုအထိသော်လည်းကောင်း၊ အမှန်တကယ် လုပ်ငန်းစတင်မည်ဟု အဆိုပြုထားသည့် အချိန်ကာလကိုသော်လည်းကောင်း ပြင်ဆင်ရေးကာလဟု သတ်မှတ်ပေးရန် ဖော်ပြထားပါသည်။

ဆုံးဖြတ်ရန်အချက်

၉။ သို့ဖြစ်ပါ၍ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် မုတ္တမကမ်းလွန်လုပ်ကွက် M-7 ၊ တနင်္သာရီကမ်းလွန်လုပ်ကွက်များဖြစ်သည့် M-15 ၊ M-17 နှင့် M-18၊ ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် မုတ္တမကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-4 တို့တွင် ရေနံနှင့်သဘာဝ ဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contract-PSC) ချုပ်ဆို ဆောင်ရွက်ခွင့်ပြုပါရန် စွမ်းအင်ဝန်ကြီးဌာနမှ တင်ပြလာခြင်းအား ခွင့်ပြုမိန့် ထုတ်ပေးရန် သဘောတူ-မတူ။

ဥက္ကဌ (ကိုယ်စား)
(မြသူဇာ၊ တွဲဖက်အတွင်းရေးမှူး)

မိတ္တူ
ရုံးလက်ခံ/ မျှောစာတွဲ

လျှို့ဝှက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
စွမ်းအင်ဝန်ကြီးဌာန

စာအမှတ်၊ ၀၀၈/၉၀၇ / ထ(၁၆၁ /၂၀၁၅)
ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ မတ်လ ၁၁ ရက်

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့တင်ပြသည့်အမှာစာ

အကြောင်းအရာ။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၄ ခုတို့အား ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များ ဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက်M-15၊ လုပ်ကွက် M-17 နှင့် M-18 နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 လုပ်ကွက် MD-4 တို့၌ ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေး စာချုပ်များ (Production Sharing Contracts-PSC) ချုပ်ဆို လုပ်ကိုင် ခွင့်ပြုရန်ကိစ္စ

၁။ စွမ်းအင်ဝန်ကြီးဌာနမှ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အောက်ဖော်ပြပါဇယားရှိ ကုမ္ပဏီ ၄ ခုတို့သည် ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15 ၊ လုပ်ကွက် M-17 နှင့် M-18 နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များ ဖြစ်သည့် လုပ်ကွက် MD-2 ၊ လုပ်ကွက် MD-4 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် Production Sharing Contracts (PSC) စာချုပ်များ ချုပ်ဆိုလုပ်ကိုင်ရန် စီစဉ်ဆောင်ရွက်လျက်ရှိပါသည်-

စဉ်	လုပ်ကွက်/ဒေသ	စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ
၁	M-7 မုတ္တမကမ်းလွန်လုပ်ကွက်	စင်ကာပူနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် ROC Oil (Myanmar) Pte. Ltd. ၊ TAP Energy (M-7) Pte. Ltd. မြန်မာနိုင်ငံမှ Smart E&P International Co., Ltd.
၂	M-15 တနင်္သာရီကမ်းလွန်လုပ်ကွက်	စင်ကာပူနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် TRG M15 Pte. Ltd. ၊ CFG Energy Pte. Ltd. မြန်မာနိုင်ငံမှ Century Bright Gold Co.,Ltd.
၃	M-17 တနင်္သာရီကမ်းလွန်လုပ်ကွက်	အိန္ဒိယနိုင်ငံ Reliance Industries Limited မြန်မာနိုင်ငံမှ United National Resources Development Services Co., Ltd.
၄	M-18 တနင်္သာရီကမ်းလွန် လုပ်ကွက်	အိန္ဒိယနိုင်ငံ Reliance Industries Limited မြန်မာနိုင်ငံမှ United National Resources Development Services Co., Ltd.
၅	MD-2 မုတ္တမကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက်	နယ်သာလန်နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V. ဗီယက်နမ်နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Corporation Ltd.

လျှို့ဝှက်

စဉ်	လုပ်ကွက်/ဒေသ	စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ
၆	MD-4 တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက်	နယ်သာလန်နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V. ဗီယက်နမ်နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Corporation Ltd.

၂။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၄ ခုတို့သည် ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15 ၊ လုပ်ကွက် M-17 နှင့် M-18 နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 ၊ လုပ်ကွက် MD-4 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန် အတွက် Production Sharing Contracts (PSC) စာချုပ်များ ချုပ်ဆိုရန်အတွက် အဓိက အချက်အလက်များကို ပူးတွဲဇယားဖြင့်လည်းကောင်း၊ အသေးစိတ်အချက်အလက်များကို ပူးတွဲ(၁)၊ ပူးတွဲ(၂)၊ ပူးတွဲ(၃)၊ ပူးတွဲ(၄) ၊ ပူးတွဲ(၅)၊ ပူးတွဲ(၆) တို့ဖြင့်လည်းကောင်း တင်ပြအပ်ပါသည်-

(က) ဩစတြေးလျနိုင်ငံမှ ROC Oil Co., Ltd. နှင့် TAP Oil Ltd. တို့သည် မုတ္တမကမ်းလွန်လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-7 ၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန် တင်ဒါအောင်မြင်ခဲ့ပြီး ၎င်းကုမ္ပဏီ၏ ကုမ္ပဏီခွဲဖြစ်သော စင်ကာပူနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် ROC Oil (Myanmar) Pte. Ltd. နှင့် TAP Energy (M-7) Pte. Ltd. တို့မှ လုပ်ကိုင်ဆောင်ရွက်မည်ဖြစ်ပြီး၊ မြန်မာနိုင်ငံမှ Smart E&P International Co., Ltd. တို့မှ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၁)

(ခ) စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် စင်ကာပူနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် TRG M15 Pte. Ltd. ၊ CFG Energy Pte. Ltd. နှင့် မြန်မာနိုင်ငံမှ Century Bright Gold Co.,Ltd. တို့သည် တနင်္သာရီကမ်းလွန်လုပ်ကွက်ဖြစ်သည့်လုပ်ကွက် M-15 ၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၂)

(ဂ) အိန္ဒိယနိုင်ငံမှ Reliance Industries Limited နှင့် မြန်မာနိုင်ငံမှ United National Resources Development Services Co., Ltd. တို့သည် တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-17 ၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၃)

(ဃ) အိန္ဒိယနိုင်ငံမှ Reliance Industries Limited နှင့် မြန်မာနိုင်ငံမှ United National Resources Development Services Co., Ltd. တို့သည်

တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-18 ၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် ပူးပေါင်းဆောင်ရွက်မည်ဖြစ်ပါသည်။ (ပူးတွဲ-၄)

(င) နယ်သာလန်နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V. နှင့် ဗီယက်နမ်နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Corporation Ltd. တို့သည် မုတ္တမကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-2 ၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် ပူးပေါင်းဆောင်ရွက်မည် ဖြစ်ပါသည်။ (ပူးတွဲ-၅)

(စ) နယ်သာလန်နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V. နှင့် ဗီယက်နမ်နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Corporation Ltd. တို့သည် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-4 ၌ ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများတွင် ပူးပေါင်းဆောင်ရွက်မည် ဖြစ်ပါသည်။ (ပူးတွဲ-၆)

(ဆ) အထက်ဖော်ပြပါ ကုမ္ပဏီများ၏ အစုရှယ်ယာများပါဝင်သည့် Memorandum of Understanding / Memorandum of Agreement တို့ကို ပူးတွဲဖော်ပြထားပါသည်။ နောက်ဆက်တွဲ (က)

(ဇ) မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ကမ်းလွန်လုပ်ကွက် ၆ ကွက်တွင် တင်ဒါအောင်မြင်ခဲ့သည့် နိုင်ငံခြားကုမ္ပဏီ ၄ ခုတို့ ချုပ်ဆိုမည့် PSC စာချုပ်ပါ Terms and Conditions အသေးစိတ်အချက်အလက်များကို နောက်ဆက်တွဲ(ခ) အဖြစ်လည်းကောင်း၊ လုပ်ကွက်တည်နေရာပြမြေပုံများကို နောက်ဆက်တွဲ(ဂ) အဖြစ်လည်းကောင်း ၊ ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေး စာချုပ်များကို နောက်ဆက်တွဲ(ဃ) ဖြင့်လည်းကောင်း တင်ပြအပ်ပါသည်။

(ဈ) ကမ်းလွန်လုပ်ကွက် ၂၀ ကွက်တွင် နိုင်ငံခြားကုမ္ပဏီ ၁၃ ခုမှ တင်ဒါအောင်မြင်ခဲ့ကြောင်း အစီရင်ခံတင်ပြခဲ့ရာ သမ္မတဦးစီးရုံးမှ နိုင်ငံတော်သမ္မတက ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားခဲ့ပါသည်။ နောက်ဆက်တွဲ(င)

၃။ PSC စာချုပ်တွင် Environmental Impact Assessment (EIA)/Social Impact Assessment(SIA)/Environmental Management Plan(EMP) လေ့လာဆန်းစစ်ခြင်း လုပ်ငန်းများကို စာချုပ်ချုပ်ဆိုပြီး ၆ လအတွင်း ဆောင်ရွက်ပြီး၊ မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်သို့ တင်ပြအတည်ပြုချက်ရယူပြီးမှသာ လုပ်ငန်းများစတင်ဆောင်ရွက်ရန် ဖော်ပြပါရှိပါသည်။ PSC စာချုပ်မူကြမ်းများအား ပြည်ထောင်စုရှေ့နေချုပ်ရုံး၊ ပြည်ထောင်စုစာရင်း

စစ်ချုပ်ရုံး၊ ဘဏ္ဍာရေးဝန်ကြီးဌာန၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာနနှင့် ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်ဗဟိုဘဏ်တို့၏ သဘောထားမှတ်ချက်တို့ကို ရယူပြင်ဆင်ထားပြီးဖြစ်ပါသည်။ နောက်ဆက်တွဲ(စ)၊ နောက်ဆက်တွဲ(ဆ)၊ နောက်ဆက်တွဲ(ဇ)၊ နောက်ဆက်တွဲ(ဈ)၊ နောက်ဆက်တွဲ(ည)

၄။ ပြည်ထောင်စုအစိုးရအဖွဲ့စီးပွားရေးရာကော်မတီ၏ ၁-၁-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော (၁/၂၀၁၅)အစည်းအဝေးမှ လုပ်ကွက် M-7၊ လုပ်ကွက် M-15 ၊ လုပ်ကွက် MD-2 နှင့် လုပ်ကွက် MD-4 တို့အတွက် လည်းကောင်း၊ ၁၆-၁-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော (၂/၂၀၁၅)အစည်းအဝေးမှ လုပ်ကွက် M-17 နှင့် M-18 တို့အတွက် လည်းကောင်း "နိုင်ငံတော်သမ္မတကြီးထံတင်ပြပြီး ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်" ဟု ဆုံးဖြတ်ချက်ပြုခဲ့ပြီး၊ နိုင်ငံတော်သမ္မတရုံးမှလည်း "လုပ်ထုံးလုပ်နည်းနှင့်အညီဆက်လက်ဆောင်ရွက်သွားရန်" ဟု အကြောင်းကြားခဲ့ပါသည်။ နောက်ဆက်တွဲ(ဋ)၊ နောက်ဆက်တွဲ(ဌ)

၅။ ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်ပြည်ထောင်စုအစိုးရအဖွဲ့၏ ၁၃-၂-၂၀၁၅ရက်နေ့တွင် ကျင်းပပြုလုပ်သော(၄/၂၀၁၅)အစည်းအဝေးမှလည်း သဘောတူခွင့်ပြုခဲ့ပြီး ဖြစ်ပါသည်။ နောက်ဆက်တွဲ (ဍ)

၆။ သို့ဖြစ်ပါ၍စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၄ ခုတို့သည် ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15 ၊ လုပ်ကွက် M-17 နှင့် M-18 နှင့် ကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2၊ လုပ်ကွက် MD-4 တို့တွင်ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက်ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေး စာချုပ်များ Production Sharing Contracts (PSC)အရ ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ရန် အဆိုပြုတင်ပြအပ်ပါသည်။

ဇေယျာအောင်
ပြည်ထောင်စုဝန်ကြီး

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

No.7:\D\ DSSN: 2013 Offshore for Sighting\ 6 blocks (M-7,M 15, MD 2, MD 4,M17,M18): 6 blocks (MIC) 6-3-2015

ပူးတွဲဇယား

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စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၄ ခုတို့အား ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များ ဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက်M-15 ၊ လုပ်ကွက် M-17 ၊ လုပ်ကွက် M-18 နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 ၊ လုပ်ကွက် MD-4 တို့တွင်PSC စာချုပ်ချုပ်ဆိုနိုင်ရေးနှင့် စပ်လျဉ်းသည့် အချက်အလက်များ

စဉ်	PSC လုပ်ကွက်	ဒေသ	စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ (Operator)	မြန်မာကုမ္ပဏီ (Local Partner)	Signature Bonus (MMUS$)	Data Fee (MMUS$)	Expenditure (MMUS$)	ဌာန ၅ခု၏ သဘောထား မှတ်ချက်များ ရယူပြင်ဆင်ထားပြီး
၁	M-7	မုတ္တမကမ်းလွန်လုပ်ကွက်	ROC Oil (Myanmar) Pte. Ltd. (59.375%) TAP Energy (M-7) Pte. Ltd. (35.625%)	Smart E&P International Co., Ltd. (5 %)	5.2	0.35	Preparation Period (EIA/SIA) 0.4 Study Period 2.0 Exploration Period (3Years) 57.5 (2 Years) 23.0 (1 Year) 22.0	(၁) ရှေ့နေချုပ်ရုံး (၂) စာရင်းစစ်ချုပ်ရုံး (၃)ဘဏ္ဍာရေးဝန်ကြီးဌာန (၄) အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန (၅) ဗဟိုဘဏ်
၂	M-15	တနင်္သာရီကမ်းလွန်လုပ်ကွက်	TRG M15 Pte. Ltd. (10%)၊ CFG Energy Pte. Ltd. (80%)	Century Bright Gold Co.,Ltd. (10%)	5.1	0.35	Preparation Period (EIA/SIA) 0.25 Study Period 1 Exploration Period (3Years) 70 (2 Years) 29 (1 Year) 25	(၁) ရှေ့နေချုပ်ရုံး (၂) စာရင်းစစ်ချုပ်ရုံး (၃)ဘဏ္ဍာရေးဝန်ကြီးဌာန (၄) အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန (၅) ဗဟိုဘဏ်

စဉ်	PSC လုပ်ကွက်	ဒေသ	စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ (Operator)	မြန်မာကုမ္ပဏီ (Local Partner)	Signature Bonus (MMUS$)	Data Fee (MMUS$)	Expenditure (MMUS$)	ဌာန ၅ခု၏ သဘောတူ မှတ်ချက်များ ရယူပြင်ဆင်ထားပြီး
၃	M-17	တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက်	Reliance Industries Limited (96 %)	United National Resources Development Services Co., Ltd. (4%)	10.0	0.5	Preparation Period (EIA/SIA) 0.1 Study Period 1.0 Exploration Period (3Years) 55.8 (2 Years) 26.8 (1 Year) 21.8	(၁) ရှေ့နေချုပ်ရုံး (၂) စာရင်းစစ်ချုပ်ရုံး (၃)သဘာဝသယံဇာတနှင့်သဘာဝပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဝန်ကြီးဌာန (၄) အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန (၅) ဗဟိုဘဏ်
၄	M-18	တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက်	Reliance Industries Limited (96 %)	United National Resources Development Services Co., Ltd. (4%)	7.0	0.5	Preparation Period (EIA/SIA) 0.1 Study Period 1.0 Exploration Period (3Years) 30.8 (2 Years) 28.3 (1 Year) 23.3	(၁) ရှေ့နေချုပ်ရုံး (၂) စာရင်းစစ်ချုပ်ရုံး (၃)သဘာဝသယံဇာတနှင့်သဘာဝပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဝန်ကြီးဌာန (၄) အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန (၅) ဗဟိုဘဏ်

စဉ်	PSC လုပ်ကွက်	ဒေသ	စာချုပ်ချုပ်ဆိုမည့်ကုမ္ပဏီ (Operator)	မြန်မာကုမ္ပဏီ (Local Partner)	Signature Bonus (MMUS$)	Data Fee (MMUS$)	Expenditure (MMUS$)	ဌာန ၅ခု၏ သဘောထား မှတ်ချက်များ ရယူပြင်ဆင်ထားပြီး
၅	MD-2	မုတ္တမကမ်းလွန် ရေနက်ပိုင်းလုပ်ကွက်	Eni Myanmar B.V. (80%) Petrovietnam Exploration Production Corporation Ltd. (20%)	-	15.2	-	Preparation Period (EIA/SIA) 0.75 Study Period 5.5 Exploration Period (3Years) 75.5 (2 Years) 62.0 (1 Year) 60.0	(၁) ရေနံနှင့်ဓာတ်ငွေ့ချုပ်ရုံး (၂) စာရင်းစစ်ချုပ်ရုံး (၃)ဘဏ္ဍာရေးဝန်ကြီးဌာန (၄) အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန (၅) ဗဟိုဘဏ်
၆	MD-4	တနင်္သာရီကမ်းလွန် ရေနက်ပိုင်းလုပ်ကွက်	Eni Myanmar B.V. (80 %) Petrovietnam Exploration Production Corporation Ltd. (20%)	-	10.2	1	Preparation Period (EIA/SIA) 0.75 Study Period 2.75 Exploration Period (3Years) 73.0 (2 Years) 62.0 (1 Year) 60.0	(၁) ရေနံနှင့်ဓာတ်ငွေ့ချုပ်ရုံး (၂) စာရင်းစစ်ချုပ်ရုံး (၃)ဘဏ္ဍာရေးဝန်ကြီးဌာန (၄) အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန (၅) ဗဟိုဘဏ်

(ပူးတွဲ-၁)

မုတ္တမကမ်းလွန်လုပ်ကွက် M-7 ၌ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် စင်ကာပူနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် ROC Oil (Myanmar) Pte. Ltd. ၊ TAP Energy (M-7) Pte. Ltd. နှင့် မြန်မာနိုင်ငံမှ Smart E&P International Co., Ltd. တို့သည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်ကို လက်မှတ်ရေးထိုးချုပ်ဆိုမည် ဖြစ်ပါသည်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် ကမကထပြုသူ၏ ဆောင်ရွက်ရန် အဆိုပြုချက်

PROPOSAL OF THE PROMOTER TO MAKE FOREIGN INVESTMENT IN THE REPUBLIC OF THE UNION OF MYANMAR

Form (I)

Proposal Form of Promoter for the Investment to be made in the Republic of the Union of Myanmar

To.

Chairman,

Myanmar Investment Commission,

Reference No. 008/907/P(153 /2015)

Date. 11 March, 2015.

I do apply for the permission to make investment in the Republic of the Union of Myanmar in accordance with the Foreign Investment Law by furnishing the following particulars-

1. Promoter's-

(a)	Name	DIRECTOR GENERAL.
(b)	Father's name	ENERGY PLANNING DEPARTMENT.
(c)	National Registration No.	MINISTRY OF ENERGY.
(d)	Citizenship	MYANMAR.
(e)	Address	BUILDING NO.6, NAY PYI TAW, MYANMAR.
(f)	Name of principle organization	MINISTRY OF ENERGY.
(g)	Type of business	PETROLEUM EXPLORATION AND DEVELOPMENT.
(h)	Principle company's address	BUILDING NO.6, NAY PYI TAW, MYANMAR.

2. If the investment business is formed under Joint Venture, partners-

(a)	Name	ROC OIL (MYANMAR) PTE. LTD.+ TAP ENERGY (M-7) PTE. LTD. + SMART E&P INTERNATIONAL CO. LTD.
(b)	Father's name	ROC OIL COMPANY LIMITED + TAP OIL LIMITED + SMART E&P INTERNATIONAL CO. LTD.
(c)	National Registration No.	SINGAPORE + MYANMAR
(d)	Citizenship	AUSTRALIA + MYANMAR

(e) Address -

(i) Address in Myanmar - SMART E&P INTERNATIONAL CO. LTD.
5TH FLOOR, CITY BANK BUILDING,
BANYAR DALA ROAD, MINGALAR
TAUNGNYUNT TOWNSHIP, YANGON,
THE REPUBLIC OF THE UNION OF
MYANMAR.
FAX: +95-1 299 622

(ii) Residence abroad - ROC OIL (MYANMAR) PTE. LIMITED
80 ROBINSON ROAD, #02-00,
SINGAPORE 068898
TEL: +61 8023 2000
FAX: +61 2 8023 2222

- TAP ENERGY (M-7) PTE. LTD
80 ROBINSON ROAD, #02-00,
SINGAPORE 068898
TEL: +61 8 9845 1000
FAX:+61 8 9845 1060

(f) Parent company - ROC OIL COMPANY LIMITED
- TAP OIL LIMITED
- SMART E&P INTERNATIONAL CO. LTD.

(g) Type of business PETROLEUM

(h) Parent company's address - ROC OIL COMPANY LIMITED
LEVEL 36, GOVERNOR PHILLIP TOWER,
1 FARRER PLACE, SYDNEY NSW 2000M
PO BOX Q1496, QUEEN VICTORIA
BUILDING, NSW 1230, AUSTRALIA
TEL: +61 8023 2000
FAX: +61 2 8023 2222

- TAP OIL LIMITED
LEVEL 1, 47 COLIN STREET, WEST
PERTH WA 6005, AUSTRALIA
TEL: +61 8 9485 1000
FAX: +61 8 9485 1060

- SMART E&P INTERNATIONAL CO. LTD.
5TH FLOOR, CITY BANK BUILDING,
BANYAR DALA ROAD, MINGALAR
TAUNGNYUNT TOWNSHIP, YANGON,
THE REPUBLIC OF THE UNION OF
MYANMAR.
TEL: 09-861-6730 / 09 861 6731
FAX: (+95-1) 299 622

Remark: The following documents need to attach according to the above paragraph (1) and (2):-

(1) Company registration certificate (copy);
(2) National Registration Card (copy) and passport (copy);
(3) Evidences about the business and financial conditions of the participants of the proposed investment business;

3. Type of proposed investment business -
   (a) Production PETROLEUM
   (b) Service business related with manufacturing
   (c) Service
   (d) Others

Remark: Expressions about the nature of business with regard to the above paragraph (3)

4. Type of business organization to be formed:-
   (a) One hundred percent
   (b) Joint Venture
      (i) Foreigner and citizen ROC OIL (MYANMAR) PTE. LTD. 59.375%, TAP ENERGY (M-7) PTE. LTD. 35.625% and SMART E&P INTERNATIONAL CO. LTD. 5%
      (ii) Foreigner and Government department/organization IN COMMERCIAL PRODUCTION PERIOD MYANMA OIL AND GAS ENTERPRISE 20%, THE REST 80% (ROC OIL (MYANMAR) PTE. LTD. 47.5 %, TAP ENERGY (M-7) PTE. LTD 28.5%, SMART E&P INTERNATIONAL CO. LTD. 4%)
   (c) By contractual basis
      (i) Foreigner and citizen
      (ii) Foreigner and Government department/organization
      (to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

Remark: The following information needs to attach for the above Paragraph(4):-

(i) Share ratio for the authorized capital from abroad and local, names, citizenships, addressed and occupations of the directors;
(ii) Joint Venture Agreement (Draft) and recommendation of the Union Attorney General Office if the investment is related with the State;
(iii)Contract (Agreement) (Draft)

5. Particulars relating to company incorporation -

(a) Authorized Capital
(b) Type of share PRODUCTION SHARING CONTRACT.
(c) Number of shares

Remark: Memorandum of Association and Articles of Association of the Company shall be submitted with regard to above paragraph 5.

6. Particulars relating to capital of the investment business-

		Kyat/US$ (Million)
(a)	Amount of local capital to be contributed	-
(b)	Amount of foreign capital - To be brought in	110.75 MMUS$
	Total	**110.75 MMUS$**

(c) Annually or period of proposed capital to be brought in - 2015 to 2022
(d) Last date of capital brought in 2022
(e) Proposed duration of investment 7 Year
(f) Commencement date of construction 2015
(g) Construction period 2015 to 2022

Remark: Describe with annexure if it is required for the above Para 6(c).

7. Detail list of foreign capital to be brought in -

		Foreign Currency (Million)	**Equivalent Kyat (Million)**
(a)	Foreign currency (Type and amount)	110.75 MMUS$	
(b)	Machinery and equipment and Value (to enclose detail list)	WILL BE FURNISHED LATER.	
(c)	List of initial raw materials and Value (to enclose detail list)		
(d)	Value of licence, intellectual Property, industrial design, trade mark, patent rights, etc.		
(e)	Value of technical know-how		
(f)	Others		
	Total	**110.75 MMUS$**	

Remark: The evidence of permission shall be submitted for the above para 7 (d) and (e).

8. Details of local capital to be contributed -

Kyat (Million)

(a) Amount

(b) Value of machinery and equipment
(to enclose detail list) WILL BE FURNISHED LATER.

(c) Rental rate for building / and

(d) Cost of building construction

(e) Value of furniture and assets
(to enclose detail list) WILL BE FURNISHED LATER.

(f) Value of initial raw material requirement
(to enclose detail list)

(g) Others

Total

9. Particulars about the investment business –

(a) Investment location(s)/place OFFSHORE BLOCK M-7,

(b) Type and area requirement for land or land and building

(i) Location MOATTAMA OFFSHORE AREA

(ii) Number of land/building and area

(iii) Owner of the land

(aa) Name/company/department

(bb) National Registration Card No.

(cc) Address

(iv) Type of land

(v) Period of land lease contract

(vi) Lease period

(vii) Lease rate

(aa) Land

(bb) Building

(viii) Ward

(ix) Township

(x) State/Region

(xi) Lessee

(aa) Name/Name of Company/Department

(bb) Father's name

(cc) Citizenship

(dd) ID No./Passport No.

(ee) Residence Address

Remark: Following particulars have to enclosed for above Para 9(b)

(i) to enclose land map, land ownership and ownership evidences ;

(ii) draft land lease agreement, recommendation from the Union Attorney General if the land is related to the State ;

(c) Requirement of building to be constructed;

(i) Type/number of building

(ii) Area

(d) Product to be produced/Service

(i) Name of product

(ii) Estimate amount to be produced annually

(iii) Type of service CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(iv) Estimate value of service annually

Remark: Detail list shall be enclosed with regard to the above para 9 (d).

(e) Annual requirement of materials/raw materials.

Remark: According to the above para 9(e) detail list of products in terms of type of products, quantity, value, technical specifications for the production shall be listed and enclosed.

(f) Production system

(g) Technology

(h) System of sales EXPORT & DOMESTIC SALES TO MYANMA OIL AND GAS ENTERPRISE

(i) Annual fuel requirement
(to prescribe type and quantity)

(j) Annual electricity requirement OWN GENERATOR

(k) Annual water requirement
(to prescribe daily requirement, if any)

10. Detail information about financial standing -

(a) Name/company's name ROC OIL COMPANY LTD, TAP OIL LIMITED and SMART E&P INTERNATIONAL CO. LTD.

(b) ID No./ National Registration Card No./Passport No.

(c) Bank Account No.

Remark: To enclose bank statement from resident country or annual audit report of the principle company with regard to the above para 10.

11. Number of personnel required for the proposed economic activity:

(a) Local personnel ( ) number ( )%
WILL BE FURNISHED LATER.

(b) Foreign experts and technicians ( ) number ( )%
WILL BE FURNISHED LATER.

(Engineer, QC, Buyer, Management, etc. based on the nature of business and required period)

Remark: As per para 11 the following information shall be enclosed:-

(i) Number of personnel, occupation, salary, etc;

(ii) Social security and welfare arrangements for personnel;

(iii) Family accompany with foreign employee ;

12. Particulars relating to economic justification :-

		Foreign Currency	Equivalent Estimated Kyat	
	Study Period (1 Yrs)	Initial Exploration Period (3Yrs)	1st Extension Period (2Yrs)	2nd Extension Period (1Yr)
(a) Annual income		-	-	-
(b) Annual expenditure (MMUS$)	2.00	57.50	23.00	22.00
(c) Annual net profit		-	-	-
(d) Yearly investments (MMUS$)	2.00	57.50	23.00	22.00
(e) Recoupment period		-	-	-
(f) Other benefits (to enclose detail calculation)		-	-	-

13. Evaluation of environmental impact:- WILL BE FURNISHED LATER.

(a) Organization for evaluation of environmental assessment;

(b) Duration of the evaluation for environmental assessment; EIA/SIA

6 MONTHS (0.4 MMUS$)

(c) Compensation programme for environmental damages

(d) Water purification system and waste water treatment system;

(e) Waste management system;

(f) System for storage of chemicals

14. Evaluation on social impact assessments; WILL BE FURNISHED LATER.

(a) Organization for evaluation of social impact assessments;

(b) Duration of the evaluation for social impact assessments; EIA/SIA

6 MONTHS

(c) Corporate social responsibility programme;

Signature

Name U Pe Zin Tun

Designation Director General

Energy Planning Department

နောက်ဆက်တွဲ(က)

MEMORANDUM OF UNDERSTANDING

BLOCK M-07
OFFSHORE MYANMAR

This Agreement is made this 13 day of November 2013

BETWEEN:

ROC OIL COMPANY LIMITED (ACN 075 965 856) a company duly incorporated in Australia of Level 18, 321 Kent Street, Sydney, New South Wales 2000, Australia ("**ROC**")

AND

TAP OIL LIMITED a company duly incorporated in Australia of Level 1, 47 Colin Street, West Perth, Western Australia 6000 ("**TAP**")

AND

SMART E & P INTERNATIONAL CO. LTD., a company duly incorporated in the Republic of the Union of Myanmar with an office at 5th Floor, City Bank Building, Banyar Dala Rd, Mingalar Taungnyunt Township ("**Local Partner**").

(each a "Party" and together the "Parties")

THE PARTIES HEREBY AGREE AS FOLLOWS:

WHEREAS

A The Parties have identified opportunities to acquire certain petroleum exploration, development and production rights to certain areas located in Myanmar, in particular Block M-07, offshore Myanmar ("**Block**").

B The Parties wish to enter into this Agreement to set out the terms and conditions under which they may carry out exploration for petroleum and conduct petroleum operations in the Block if the Government of Myanmar awards the Block to the Parties.

1. **Effective Date and Term**

This Agreement will be effective from the date of this Agreement (the "**Effective Date**") and will continue in effect until one year after the Effective Date ("**Initial Term**") subject to any extension that may be agreed by the Parties ("**Term**").

2. **Scope and Responsibilities**

2.1 The purpose of this Agreement is to establish the respective rights and obligations of the Parties in the event the Myanmar Ministry of Energy ("**MOE**") awards the Block to the Parties and a production sharing contract ("**PSC**") is entered into between the Parties and the Myanmar Oil & Gas Enterprise ("**MOGE**").

2.2 As soon as practicable after the award of the Block to the Parties from MOE, the Parties will negotiate in good faith and agree to the terms of and execute a joint

operating agreement ("**JOA**") under which the Parties will carry out petroleum operations under the PSC.

2.3 The Parties agree that the form of JOA and accounting procedure to be developed by them shall reflect the principles contained in this Agreement and be based on the Association of International Petroleum Negotiators ("**AIPN**") 2012 model form JOA and AIPN 2004 Accounting Principles. The Parties will use their best efforts to agree to the terms of and execute the JOA within 2 months of the award of the Block.

2.4 Each Party has the right to participate in the Block through an affiliated or subsidiary company to be identified at a later date and any transfer to such affiliated company or subsidiary is not subject to the other Party's consent.

2.5 Each Party agrees to provide the documentation reasonably requested by the MOE to be incorporated into any joint application to be made pursuant to this Agreement.

2.6 No Party is under any obligation to sign a PSC or otherwise enter into an agreement with MOGE on terms that are unacceptable to that Party in its sole discretion and each Party's participation in any joint application and execution of any PSC are subject to the approval of its Board of Directors.

3. Participating Interests

3.1 The interests of the Parties ("**Participating Interests**") in the JOA and Block will be:

ROC	-	59.375%
TAP	-	35.625%
Local Partner	-	5% (5% to be carried on a pro rata basis by ROC and TAP)

The voting interests under this Agreement will be in accordance with the Participating Interests except as specified under Clause 3.5.

3.2 All rights, interests, and obligations, in all assets acquired under this Agreement including any petroleum rights and any hydrocarbons produced will be owned by the Parties in accordance with their respective Participating Interests.

3.3 Except as provided in Clause 3.4 of this Agreement, the obligations of the Parties under this Agreement and all costs, liabilities and expenses incurred by each connection with this Agreement after execution of any PSC but prior to the execution of the JOA, shall be charged to and paid by the Parties in accordance with their respective Participating Interests.

3.4 Each of ROC and TAP agree that it will pay or cause to be paid (in proportion to their respective Participating Interests) a part share of the costs of the Local Partner through the course of any bidded expenditures as follows ("**Carried Interest**"):

(1) In the case of a PSC awarded jointly to the Parties by the Government of Myanmar - during the Initial Exploration Period (three years from execution of the PSC) – at the rate of 5% of the actual expenditure incurred in executing the bidded work programme up to the maximum

value of the minimum work programme as stated in the granted PSC. Any discretionary work programme expenditures or expenditures in excess of the bidded work programme incurred by ROC as Operator shall be borne by the Parties entirely in accordance with their respective Participating Interests.

The Parties agree this Clause 3.4 will apply for the benefit of the Local Partner only and not for any of its successors or assigns.

3.5 During the period ROC and TAP will pay or cause to be paid a part share of the costs of the Local Partner pursuant to Clause 3.4 above, the Local Partner agrees to vote for the carried portion of its equity in accordance with ROC's instructions at Operating Committee meetings.

3.6 The Parties agree that each of ROC and TAP shall be entitled to cost recover the Local Partner's Carried Interest (5% in the PSC) upon commercial production from the available cost oil under the terms of the PSC.

4. Operator

ROC or its affiliate will be designated as Operator under the JOA.

5. Assignment

Except as provided in this Agreement, a Party cannot assign or otherwise transfer the benefit of this Agreement without the prior written consent of each other Party.

6. Relationship of the Parties

The rights, duties, obligations and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or be construed to create a partnership, association or a trust.

7. Confidential Information

The Parties agree during the Term of this Agreement and for one year after its expiration that the terms of this Agreement and that all information and data acquired or obtained by any Party under this Agreement in respect of the Block or in respect of the commercial interests of the other Party is confidential and shall be kept confidential and not be disclosed during the term of this Agreement to any person or entity not a Party to this Agreement, except:

(a) to an affiliate, provided such affiliate maintains confidentiality as provided herein;

(b) to the extent such data and information are required to be furnished in compliance with any applicable laws or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon a party; or

(c) to the extent such data and information must be disclosed pursuant to any rules or requirements of any government or stock exchange having jurisdiction over such party, or its affiliates; or

(d) where the information is already in the public domain through no fault of the disclosing Party.

8. Notices

All notices authorised or required between the Parties by any of the provisions of this Agreement, shall be in writing, in English and delivered in person or by courier service or by any electronic means of transmitting written communications which provides written confirmation of complete transmission, and addressed to such parties as designated below:

To: **ROC OIL COMPANY LIMITED**
c/o Roc Oil Malaysia (Holdings) Sdn Bhd
Level 16, West Block Wisma Selangor Dredging
(Letter Box # 8) 142C Jalan Ampang
Ampang, 50450 Kuala Lumpur
Attn: General Manager, Exploration, Geoscience & Bus Dev.
Fax: +603 2722 9799

To: **TAP OIL LIMITED**
Manager – Exploration/New Ventures
Level 1, 47 Colin Street,
West Perth WA 6005
Australia
Attn: Milton Schmedje
Fax: +61 8 9485 1060

To: **SMART E & P INTERNATIONAL CO. LTD.**
5th Floor, City Bank Building,
Banyar Dala Rd,
Mingalar Taungnyunt Township
Yangon, MYANMAR
Attn: Yadana Su Hlaing
Fax: +959 8616731

9. Public Announcements

All public announcements relating to matters arising under this Agreement will be submitted to the other Parties for its approval which shall not be unreasonably withheld. The Parties receiving the proposed announcement shall respond within twenty-four (24) hours. A Party shall not be in breach of this clause if the rules of any stock exchange to which it or its parent company is subject require it to make a public announcement without being able to comply with this clause.

10. Governing Law and Arbitration

(a) This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of England and Wales excluding any choice of law rules which would refer the matter to the laws of another jurisdiction.

(b) In the event of any dispute, either Party may give to the other written notice adequately identifying the matters the subject of the dispute ("**Notice of Dispute**").

(c) Within 14 days of the service of a Notice of Dispute, the parties shall confer at least once to attempt to resolve the dispute and failing resolution of the dispute, to explore alternative methods of resolving the dispute. At any such conference each Party will be represented by a person having authority to agree to a resolution of the dispute.

(d) If the dispute has not been resolved within 60 days from the service of the Notice of Dispute and the Parties have not otherwise agreed to in writing, then any Party may, after notifying the other Parties in writing, submit the Dispute to arbitration and have the Dispute finally settled in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force before a panel of three arbitrators. All three arbitrators shall be appointed in accordance with the SIAC Rules and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The arbitrators shall decide according to law and not ex aequo et bono. The place of arbitration shall be Singapore and the language of the arbitration shall be English.

11. Amendments to Agreement

The Parties agree that any amendments or modifications to this Agreement shall be in writing.

12. Entire Agreement

This Agreement and the documents referred to herein, constitute the entire agreement and understanding of the parties and supersede any previous agreement between the parties relating to the subject matter of this Agreement.

13. Counterparts

This Agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same.

14. Warranties as to no payments, gifts and loans

14.1 Each Party shall conduct all of its activities pursuant to this Agreement in compliance with all laws, rules, and regulations applicable to such Party. Each of the Parties warrants that it has not made and will not make, with respect to the matters provided for hereunder, any payments, loans, gifts, or promises of payments, loans or gifts, directly or indirectly to or for the use or benefit of any official or employee of the Government or to or for the use of any political party, official, or candidate or to any other person if such Party knows or should have known or has/had reason to suspect that any part of such payment, loan, or gift or promise or office, would violate the laws or regulations of Australia, Myanmar or Thailand. Each Party shall respond promptly, and in reasonable detail, to any Notice from any other Party or its auditors pertaining to the above stated warranty and representation and shall furnish documentary support for such response upon request from such other Party.

14.2 No party nor its respective affiliates have made, offered, or authorised and will not make, offer or authorise any payment, gift, promise or other advantage, in connection with the assets or matters which are the subject of this agreement,

whether directly or indirectly through any other person or entity, to or for the use or benefit of any public official (i.e. any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organisation) or any political party or political party official or candidate for office, where such payment, gift or promise would violate: (a) the applicable laws and regulations of the country of operations; (b) the laws of the country of formation of the party or such party's ultimate parent company (or its principal place of business); (c) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, which entered into force on 15 February 1999, and the Convention's commentaries; or (d) the US Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

SIGNED for and on behalf of)
ROC OIL COMPANY LIMITED) ....
in the presence of:) Authorised Signatory

....
Witness

SIGNED for and on behalf of)
TAP OIL LIMITED) ....
in the presence of:) Authorised Signatory

....
Witness

SIGNED for and on behalf of)
SMART E & P INTERNATIONAL CO. LTD) ....
in the presence of:) Authorised Signatory

....
Witness

whether directly or indirectly through any other person or entity, to or for the use or benefit of any public official (i.e. any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organisation) or any political party or political party official or candidate for office, where such payment, gift or promise would violate: (a) the applicable laws and regulations of the country of operations; (b) the laws of the country of formation of the party or such party's ultimate parent company (or its principal place of business); (c) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, which entered into force on 15 February 1999, and the Convention's commentaries; or (d) the US Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

SIGNED for and on behalf of)
ROC OIL COMPANY LIMITED) ....
in the presence of:) Authorised Signatory

....
Witness

SIGNED for and on behalf of)
TAP OIL LIMITED) ....
in the presence of:) Authorised Signatory

Troy Hayden
Director

....
Witness SHERENE TILL

SIGNED for and on behalf of)
SMART E & P INTERNATIONAL CO. LTD) ....
in the presence of:) Authorised Signatory

....
Witness

whether directly or indirectly through any other person or entity, to or for the use or benefit of any public official (i.e. any person holding a legislative, administrative or judicial office, including any person employed by or acting on behalf of a public agency, a public enterprise or a public international organisation) or any political party or political party official or candidate for office, where such payment, gift or promise would violate: (a) the applicable laws and regulations of the country of operations; (b) the laws of the country of formation of the party or such party's ultimate parent company (or its principal place of business); (c) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997, which entered into force on 15 February 1999, and the Convention's commentaries; or (d) the US Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

SIGNED for and on behalf of **ROC OIL COMPANY LIMITED** in the presence of:	)))	.... Authorised Signatory

....
Witness

SIGNED for and on behalf of **TAP OIL LIMITED** in the presence of:	)))	.... Authorised Signatory

....
Witness

SIGNED for and on behalf of **SMART E & P INTERNATIONAL CO. LTD** in the presence of:	)))	.... Authorised Signatory

....
Witness

FORMAL BID FOR MYANMAR OFFSHORE BLOCK M7
ROC OIL

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks	
1.	Contract Area	Offshore Block M7	
2.	Area of Block	5163 square miles	
3.	Water Depth	<600 ft	
4.	Type of Contract	Production Sharing Contract (PSC)	
5.	Preparation Period (EIA/SIA/EMP)	- 6 months (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. Min. Expenditure	= 400,000 US$
		{Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}	
6.	Data Fee	350,000 US$ (Payment within 30 days after commencement of the Study Period)	
7.	Study Period	12 months - Study of existing G&G data and reprocessing if required	Min. Expenditure 2,000,000 US$
		{Contractor will have the option to back-off after 12 months Study Period}	
8.	Signature Bonus	5,200,000 US$ (Payment within 30 days after entering into the Exploration Period.)	
9.	Exploration Period (Minimum Work Commitment and Expenditure)	- 3 years	Min. Expenditure
		Year 1 - Seismic Acquisition 2D : 2000 lkms, processing/interpretation	2,500,000 US$
		Year 1 - Seismic Acquisition 3D : 1100 sqkms, processing/interpretation	11,000,000 US$
		Year 2 - Drill two wells	22,000,000 US$
		Year 3 - Drill two wells	22,000,000 US$
		Total	57,500,000 US$
		1st Extension Period (2 years)	Min. Expenditure
		Year 4 - Prospect evaluation	1,000,000 US$
		Year 5 - To drill 2 (two) wells	22,000,000 US$
		Total	23,000,000 US$
		{Contractor will have the option to back-off after 2 years 1st Extension Period}	
		2nd Extension Period (1 year)	Min. Expenditure
		Year 6 - To drill 2 (two) wells	22,000,000 US$
		{Contractor may enter into Production Period upon commercial discovery}	
10.	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.	
11.	Royalty	12.5% of Available Petroleum.	
12.	Cost Recovery	50% of all Available Petroleum for water depth 600 feet or less 60% of all Available Petroleum for water depth more than 600 feet	
13.	Profit Split (Profit Petroleum Allocation)	see below	

13. Profit Split (Profit Petroleum Allocation)

Crude Oil

Water Depth	600 feet or less		more than 600 feet	
BOPD	MOGE(%)	CONT(%)	MOGE(%)	CONT(%)
0 - 25,000	60	40	60	40
25,001 - 50,000	65	35	65	35
50,001 - 100,000	80	20	75	25
100,001 - 150,000	85	15	80	20
above 150,000	90	10	85	15

Natural Gas

Water Depth	600 feet or less		more than 600 feet	
MMCFD	MOGE(%)	CONT(%)	MOGE(%)	CONT(%)
0 - 300	65	35	60	40
301 - 600	75	25	70	30
601 - 900	85	15	80	20
above 900	90	10	90	10

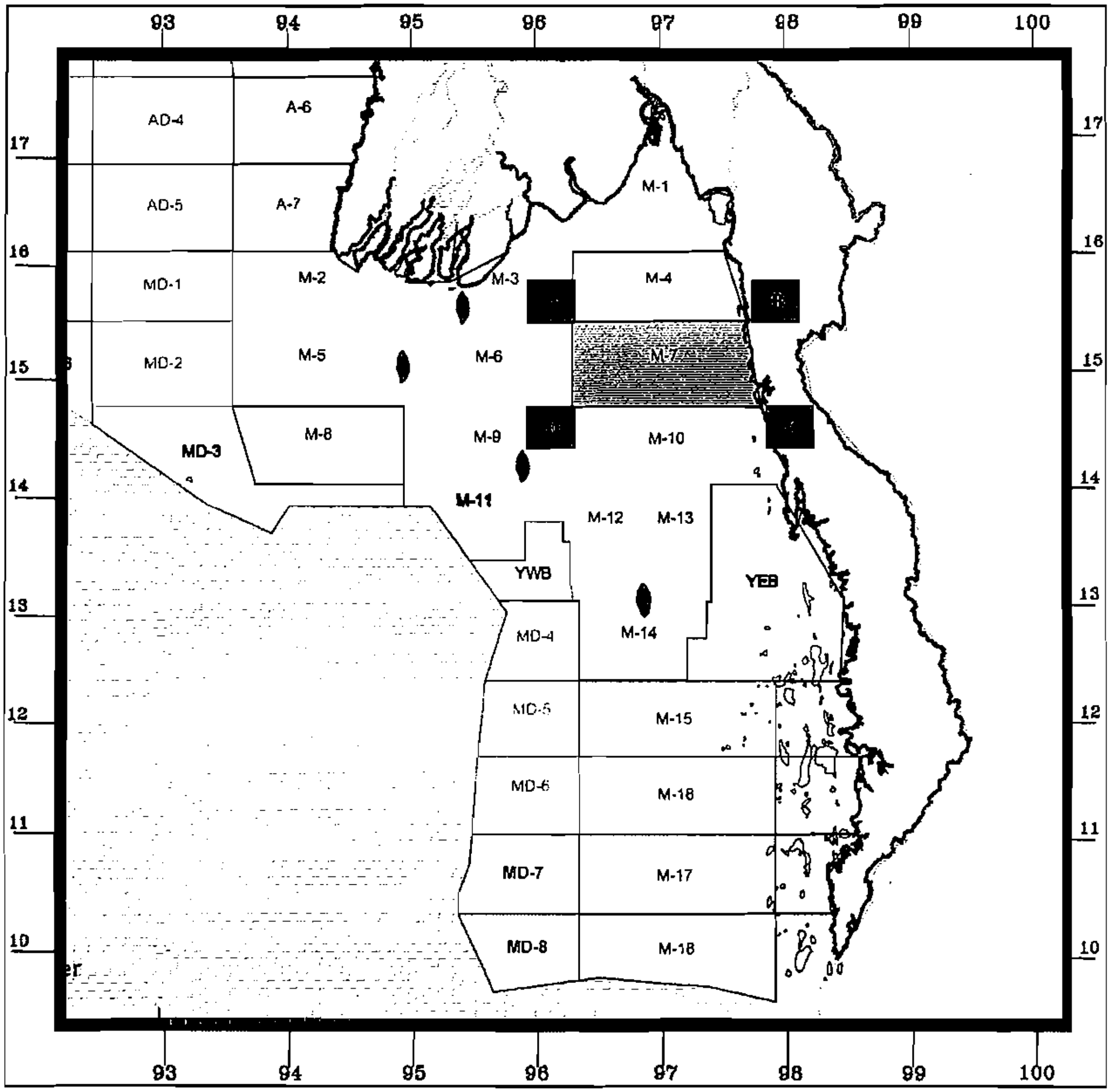
Total for alternative $110.45m

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks
14.	Production Bonus	**Crude Oil** Upon approval of Development Plan = 1.00 MMUS$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS$ **Natural Gas** Upon approval of Development Plan = 1.00 MMUS$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS$ 600 MMCFD (for 90 consecutive days production) = 4.00 MMUS$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS$
15.	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.
16.	Training Fund	Exploration Period = 50,000 US$ per Year. Production Period = 100,000 US$ per Year.
17.	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.
18.	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel of Oil Equivalent.
19.	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)
20.	Governing Law	Laws of the Republic of the Union of Myanmar.
21.	Arbitration	UNCITRAL Arbitration Rules.
22.	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:- - If the amount of Net Profit is up to 100 MMUS$ 40% - If the amount of Net Profit is between 100 MMUS$ and 150 MMUS$ 45% - If the amount of Net Profit is over 150 MMUS$ 50%
23.	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24.	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.

Formal bid for Offshore Block M07 is a combination of contingent and firm commitments for a total bid of US$ 110.45 million comprising:

Preparation Period:	US$ 0.4m
Study Period and Data Fee:	US$ 2.35m
Signature Bonus:	US$ 5.2m
Initial Three Year Exploration period:	US$ 57.50m
Optional Two Year Extension:	US$ 23.0m
Optional One Year Extension:	US$ 22.0m
	US$ 110.45m

MAP OF CONTRACT AREA



COORDINATES OF BLOCK M-7

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	15° 24' 00"	96° 15' 00"
B	15° 24' 00"	97° 45' 00"
C	14° 40' 00"	97° 52' 00"
D	14° 40' 00"	96° 15' 00"
A	15° 24' 00"	96° 15' 00"

Area of Block "M-7" = 5,163 Sq. Miles.

နောက်ဆက်တွဲ(ဃ)

PRODUCTION SHARING CONTRACT

FOR

THE EXPLORATION AND PRODUCTION OF PETROLEUM

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

ROC OIL (MYANMAR) PTE. LTD.

AND

TAP ENERGY (M-7) PTE. LTD.

AND

SMART E&P INTERNATIONAL COMPANY LIMITED

FOR

BLOCK M-7

MOATTAMA OFFSHORE AREA

REPUBLIC OF THE UNION OF MYANMAR

Dated: , 2015

TABLE OF CONTENTS

PRODUCTION SHARING CONTRACT

FOR OFFSHORE PETROLEUM OPERATIONS

MOATTAMA OFFSHORE BLOCK M-7

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

ROC OIL (MYANMAR) PTE. LTD.

AND

TAP ENERGY (M-7) PTE. LTD.

AND

SMART E&P INTERNATIONAL COMPANY LIMITED

This Contract entered into and delivered at Nay Pyi Taw, the Republic of the Union of Myanmar on the (xx) day of (month), 2015 by and between

MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "MOGE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, MYANMA OIL AND GAS ENTERPRISE of the one part,

and

ROC OIL (MYANMAR) PTE. LTD., a company incorporated under the laws of the Republic of Singapore and fully owned subsidiary of ROC OIL COMPANY LIMITED (hereinafter referred to as "ROC" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, ROC OIL (MYANMAR) PTE. LTD.; and

TAP ENERGY (M-7) PTE. LTD., a company incorporated under the laws of the Republic of Singapore and fully owned subsidiary of TAP OIL LIMITED (hereinafter referred to as "TAP" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, TAP ENERGY (M-7) PTE. LTD.; and

SMART E&P INTERNATIONAL COMPANY LIMITED, a company registered under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "SMART" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, SMART E&P INTERNATIONAL COMPANY LIMITED; of the other part

ROC and **TAP** and **SMART** are hereinafter, together with their respective successors and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a "Contractor Party", and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by Contractor Party.)

MOGE and CONTRACTOR arc collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH

WHEREAS, The Republic of the Union of Myanmar is the sole owner of all natural resources within her territory and offshore areas and has the right to develop, extract, exploit and utilize the natural resources in the interest of the people of all the national groups; and

WHEREAS, MOGE is an enterprise formed by the Government of the Republic of the Union of Myanmar and is concerned with exploration and production of "Petroleum"(as hereinafter defined) within the Republic of the Union of Myanmar both onshore and offshore areas; and

WHEREAS, MOGE has the exclusive right to carry out all operations in the Republic of the Union of Myanmar and throughout the area described in Annexure "A" and outlined on the map which is Annexure "B", both attached hereto and made a part hereof, which area is hereinafter referred to as the "Contract Area"; and

WHEREAS, CONTRACTOR is of sound financial standing and possesses technical competency and professional skill for carrying out exploration and development works and other "Petroleum Operations"(as hereinafter defined in accordance with good international petroleum industry practices); and

WHEREAS, each Party has the right, power and authority to enter into this Contract; and

WHEREAS, MOGE and CONTRACTOR mutually desire to enter into this Contract which is the Production Sharing Contract in relation to the "Contract Area" as hereinafter defined;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set out, it is agreed as follows;

SECTION 1

DEFINITIONS

In this Contract, words in the singular include the plural and vice versa, and except where the context otherwise requires the following terms shall have the meaning set out as follows:

1.1 "Accounting Procedure" means the procedures and reporting requirements set forth in Annexure "C".

1.2 "Additional Exploration Operations" mean Exploration Operations performed by CONTRACTOR beyond those required by the minimum work commitment provisions in this Contract or as the case may be.

1.3 "Affiliate" means any company, or other legal entity;

a) in which CONTRACTOR holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or

b) which holds directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote, or

c) in which at least fifty percent (50%) of the shares entitled to vote are owned directly or indirectly by a company, or any other legal entity, which owns directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote.

1.4 "Appraisal Period" means the period which CONTRACTOR deems necessary to determine whether a Discovery is a Commercial Discovery.

1.5 "Appraisal Programme" means a programme submitted by CONTRACTOR pursuant to Section 7.2, under which CONTRACTOR will evaluate and delineate a Discovery including the estimated list of equipments, vehicles, machineries, materials, accessories, etc... that would be used for appraisal works under this Contract.

1.6 "Associated Gas" means Natural Gas found in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.

1.7 "Barrel" means a quantity or unit of forty-two (42) U.S. gallons liquid measured at or corrected to a temperature of sixty degrees (60^{o}) Fahrenheit with normal atmospheric pressure at sea level.

1.8 "Budget" means an estimate of income and expenditures formulated in relation to a Work Programme.

1.9 "Calendar Year" means a period of twelve (12) consecutive months commencing

with January 1st and ending with December 31st next following, according to the Gregorian calendar.

1.10 "Commencement of Commercial Production" means, in relation to each Development and Production Area, the date on which regular and continuous shipments of Crude Oil (excluding test production) commence or the date on which regular and continuous sales of Natural Gas commence or any combination of these commence from the Contract Area (excluding production for testing purposes).

1.11 "Commencement of the Operation Date" means the date of approval of the Myanmar Investment Commission on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) and such date will be informed by MOGE to CONTRACTOR.

1.12 "Commercial Discovery" means the Discovery in the Contract Area of an accumulation or accumulations of Petroleum which CONTRACTOR, after conducting appraisal operations to assess the quantity and quality of the Petroleum present, the place and the depth of its location, the estimated development and production expenditures, prices prevailing in the world market and other relevant technical and economic factors, decides it is commercial to develop and produce.

1.13 "Contract" means this Production Sharing Contract, together with the Annexures attached hereto.

1.14 "Contract Area" means;

a) on the Effective Date the offshore area as described in Annexure "A" and shown on the map in Annexure "B" and

b) there after the whole or any part of such offshore area in respect of which at any particular time, CONTRACTOR continues to have rights and obligations under this Contract.

1.15 "Contract Year" means a period of time normally of three hundred and sixty-five (365) consecutive days commencing from the Commencement of the Operation Date.

1.16 "Cost Petroleum" means Petroleum out of which CONTRACTOR may recover the costs and expenses of the Petroleum Operations pursuant to Section 9.4.

1.17 "Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

1.18 "Cubic Foot" means a quantity or unit of vapor saturated with Natural Gas contained in one (1) cubic foot of space at a temperature of sixty degrees (60^{0}) Fahrenheit and pressure of 14.735 psia (30 inches Hg).

1.19 "Delivery Point" means (a) the agreed point of delivery within the relevant Development and Production Area for Petroleum delivered to MOGE as Royalty pursuant to Section 10 and Crude Oil and Natural Gas made available for the Myanmar domestic market pursuant to Section 14.1 and Section 14.4, (b) the point to be determined in accordance with Section 13 for Natural Gas, and (c) the point of export, Myanmar, for Petroleum made available for export sale, as the case may be.

1.20 "Development and Production Area" means the area or areas established by CONTRACTOR and designated as such or enlarged, as the case may be, in accordance with Section 8.

1.21 "Development and Production Operations"means all operations including but not limited to administrative and other related activities, within or outside the Contract Area, which are carried out in accordance with the Development Plan for a Development and Production Area in connection with the extraction, separation, processing, gathering, transportation, storage, treatment and disposition of Petroleum from such Development and Production Area.

1.22 "Development and Production Period" means, in relation to each Development and Production Area, the period specified in Section 3.6.

1.23 "Development Plan" means a plan for development of a Commercial Discovery prepared by CONTRACTOR and approved in accordance with Sections 8.5 or 8.6, including any amendments thereto.

1.24 "Discovery" means a discovery during Petroleum Operations of an accumulation or accumulations of Petroleum which in the opinion of CONTRACTOR may be capable of being produced and sold in commercial quantities.

1.25 "Discovery Area" means an area or areas in which CONTRACTOR may establish in accordance with Section 8.

1.26 "Drawback Basis" means all rented or leased assets which are imported into Myanmar, by CONTRACTOR or its subcontractors, with the approval of MOGE, for Petroleum Operations under the PSC's, at the time of completion, which are to be exported out of Myanmar. Assets imported on Drawback Basis are those which are not foreign direct investment and / or Myanmar citizens investment.

1.27 "Effective Date" means the date of signing of this Contract by the Parties.

1.28 "Exploration Operations" mean operations, within or outside the Contract Area, which are conducted under this Contract during the Exploration Period or in connection with the exploration for Petroleum including, without limitation, geological, geophysical and other technical surveys and studies, the review, processing and analysis of data, the drilling of exploratory and appraisal wells, operations and activities carried out to determine whether a Discovery constitutes a Commercial Discovery, associated planning, design, administrative, engineering, construction and maintenance operations, and all other related operations and activities referred to in Annexure "C" or otherwise contemplated under the provisions of this Contract.

1.29 "Exploration Period" means the period specified in Sections 3.4, including any extensions to the Exploration Period granted under the terms of this Contract.

1.30 "Financial Year" means the financial year of the Government of the Republic of the Union of Myanmar and extending for a period of twelve (12) months commencing with 1st April and ending with 31st March next following.

1.31 "Government" means the government of the Republic of the Union of Myanmar.

1.32 "Investment Basis" means all assets which are imported into Myanmar by CONTRACTOR as an investment in accordance with the stipulations of the Contract for Petroleum Operations hereunder. Assets imported on Investment Basis are those which are allowed to make foreign direct investment and / or Myanmar citizens investment.

1.33 "Management Committee" means the committee established by that name pursuant to Section 18.

1.34 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

1.35 "Net Profit" means the amount of the proceeds of the sale or transfer of the interests of the CONTRACTOR under this Contract or the shares in the Company, registered under Section 5.1, less Petroleum Costs, which are not recovered by Cost Recovery under Article 2 in Annexure "C" until the time of transaction, Data Fee and bonuses under Section 11, and interests under Section 9.11.

1.36 "Petroleum Costs" mean all of the costs and expenditures borne and incurred by CONTRACTOR in connection with or related to the conduct of Petroleum Operations pursuant to this Contract, and determined and accounted for in accordance with Annexure "C".

1.37 "Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other hydrocarbons produced in association therewith.

1.38 "Petroleum Operations" mean all operations, within or outside the Contract Area, under this Contract, including, without limitation, Study and Exploration Operations, Development and Production Operations, or any combination of such operations, transportation, storage, marketing, all associated planning, design, administrative, engineering, construction and maintenance operations, and any or all other incidental operations or activities, as may be necessary under the provisions of this Contract.

1.39 "Preparation Period" means a period of six (6) months starting from signing date of this Contract during which Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) shall be conducted by the CONTRACTOR in respect of the Contract Area.

1.40 "Quarter" means a period of three (3) months starting with the first day of January, April, July or October of each Calendar Year.

1.41 "Study Period" means a period of time starting from the Commencement of the Operation Date, as described in Section 3.3, during which a study will be conducted as described in Section 6, in respect of, inter alia, data and information supplied by MOGE pursuant to Section 2.4.

1.42 "U.S. Dollar" or "US$" means the lawful currency of the United States of America.

1.43 "Value Added Petroleum Downstream Products" means derivatives produced from, including but not limited to, Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Methanol and any other products utilizing Natural Gas and/or Crude Oil as feedstock.

1.44 "Work Programme" means a work programme mutually agreed by MOGE and CONTRACTOR itemizing the Petroleum Operations to be conducted within or with respect to the Contract Area, Discovery Area or Development and Production Area and time schedule thereof, including the estimated list of the equipments, vehicles, machineries, materials, accessories, etc... that would be used in the Petroleum Operations under this Contract.

1.45 "Foreign Investment Law" means the Foreign Investment Law of the Republic of the Union of Myanmar (the Pyi Htaung Su Hlut Taw Law No. 21/2012 dated 2nd November 2012) and related rules and notification.

SECTION 2

SCOPE

2.1 This Contract is a Production Sharing Contract. In accordance with the provisions herein contained, MOGE shall have and be responsible for the management of Petroleum Operations contemplated hereunder.

2.2 CONTRACTOR shall be responsible to MOGE for the execution of the Petroleum Operations in accordance with the provisions of this Contract, and is hereby appointed and constituted the exclusive company (operator) to conduct Petroleum Operations in the Contract Area. CONTRACTOR shall provide all the financial and technical assistance required for the Petroleum Operations. CONTRACTOR shall carry the risk of Petroleum Costs required in carrying out the Petroleum Operations and shall therefore have an economic interest in the development of the Petroleum in the Contract Area. Such costs shall be included in Petroleum Costs recoverable as provided in Section 9.4. The interest expenses incurred by the CONTRACTOR to finance its Exploration Operations hereunder shall not be cost recoverable from Cost Petroleum.

2.3 During the term of this Contract the total production achieved in the conduct of such Petroleum Operations in each Quarter shall be divided in accordance with the provisions of Section 9.

2.4 To assist CONTRACTOR in performing work hereunder, MOGE shall as soon as practicable supply to CONTRACTOR all data and information relating to the Contract Area in MOGE's possession or under the control of MOGE.

2.5 CONTRACTOR shall send back to MOGE all original data and information relating to Section 2.4 above and also in digitize format no later than six (6) months after receipt of such data and information by CONTRACTOR.

2.6 CONTRACTOR shall within thirty (30) days after the Commencement of the Operation Date, make payment to MOGE the sum specified in Section 11.1 as Data Fee.

2.7 Data Fee paid in accordance with Section 2.6, shall be tax deductible, but shall not be recoverable from Cost Petroleum under Section 9.

SECTION 3

TERM

3.1 Unless sooner terminated in accordance with the terms hereof, this Contract shall remain in effect during the Preparation Period, Study Period, Exploration Period and any Development and Production Period.

3.2 The Preparation Period shall begin on the Effective Date and shall continue for a period of six (6) months and may be extended to a certain period by sole discretion of MOGE based on issuance of Myanmar Investment Commission's approval on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) reports.

3.3 The Study (Technical Evaluation and Assessment –TEA) Period shall commence from the Commencement of the Operation Date of this Contract and shall have duration of twelve (12) months.

3.4 If at the end of the Study Period, CONTRACTOR, after fully disclosing the results of the study to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE given not later than fifteen (15) days before the end of the Study Period. Thereafter, CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, Exploration Period shall begin immediately following the expiration of Study Period and shall continue for three (3) consecutive years ("Initial Exploration Period"). CONTRACTOR may extend, at its sole discretion, the Exploration Period for three (3) years, consisting of two year as the ("First Extension Year") and another one year as the ("Second Extension Year"), provided that, it shall have fulfilled its obligations hereunder for the then current period. CONTRACTOR shall notify MOGE thirty (30) days prior to the end of the Initial Exploration Period or the then current extension period that it intends to enter into any such extension to the Exploration Period.

3.5 If seismic or drilling operations (including testing) are in progress at the end of the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended until sixty (60) days after completion of such operations. If CONTRACTOR shall have made a Discovery during the Initial Exploration Period, or any extension of the Exploration Period, the current period shall be automatically extended as to the Discovery Area designated pursuant to Section 7 for such additional period as shall be sufficient for CONTRACTOR in accordance with the terms of this Contract to appraise the Discovery and declare a Commercial Discovery and designate a Development and Production Area.

3.6 A Development and Production Period shall commence with respect to each Development and Production Area on the date that CONTRACTOR gives

notice of Commercial Discovery relating to such Development and Production Area and shall continue until the expiration of twenty (20) years from the date of completion of development in accordance with the Development Plan for such Development and Production Area or the expiration of the sale(s) contract(s) relating to the sale and purchase of Petroleum produced hereunder whichever is longer.

3.7 Without limiting the rights of the Parties under Section 17 and 20, in the event that the Parties agree that CONTRACTOR is prevented or impeded from carrying on Petroleum Operations or gaining access to the Contract Area for reasons relating to the protection of personnel, subcontractors, property, or the environment, CONTRACTOR's obligations hereunder shall be suspended from the time of the commencement of such impairment until the impairment has been alleviated. As soon as practicable thereafter, the Parties shall meet and agree upon a period of time which shall be added to the Study Period and/or Exploration Period and/or any Development and Production Period, which period of time shall be equivalent to the amount of time necessary to restore Petroleum Operations to the status which they occupied at the time of the impairment.

If the impairment of Petroleum Operations described above should continue for a period of time exceeding two (2) years, CONTRACTOR shall have the right to elect in its sole discretion to terminate this Contract and CONTRACTOR shall be discharged from all further obligations under this Contract, including specifically without limitation the obligation to pay any deficiency under Section 5.3 and perform the minimum work commitments under Section 5.2 below.

SECTION 4

RELINQUISHMENTS

4.1 Not later than at the end of the Exploration Period (including any extension), all of the Contract Area other than Discovery Areas and Development and Production Areas shall be relinquished. Notwithstanding the foregoing, if CONTRACTOR elects to enter into the Second Extension Year of the Exploration Period as described in Section 3.4, CONTRACTOR shall select from the Contract Area an area or areas totaling not more than 75% of the Contract Area (excluding any Discovery Areas and Development and Production Areas) in which to carry out further Petroleum Operations. The remainder of the Contract Area, other than Discovery Areas and Development and Production Areas, shall be relinquished at the time of such selection.

4.2 CONTRACTOR may at any time relinquish voluntarily its rights hereunder to conduct Petroleum Operations in all or any part of the Contract Area. Any such voluntary relinquishment of less than all the Contract Area shall be credited toward any subsequent relinquishment obligations hereunder.

4.3 No relinquishment shall relieve CONTRACTOR from its obligation for the accrued but unfulfilled minimum work commitments specified in Section 5.3 of this Contract.

4.4 At least thirty (30) days in advance of the date of the relinquishment under Sections 4.1 and 4.2, CONTRACTOR shall notify MOGE of the portions of the Contract Area to be relinquished. In connection with any relinquishment of less than all of the Contract Area, the CONTRACTOR and MOGE shall consult with each other in order to ensure that each individual portion of the Contract Area relinquished shall, so far as reasonably possible, be of sufficient size and shape to enable Petroleum Operations to be conducted thereon.

SECTION 5

MINIMUM WORK COMMITMENT

5.1 Subject to the provisions hereof, CONTRACTOR shall commence Petroleum Operations promptly, after adoption of the initial Work Programme and Budget pursuant to Section 6.2 and the issuance of all permits, clearances and licenses necessary for the commencement for field operations. As soon as practicable following the Effective Date, CONTRACTOR shall file such documents as shall be required to effect registration as a foreign corporation authorized to do business in Myanmar.

5.2 Subject to the provisions of this contract, the CONTRACTOR shall perform the following Exploration Operations.

(a) During the Study (TEA) Period, to conduct data loading, processing and interpretation together with detailed geological and geophysical analyses of the block, all at an estimated cost of U.S. Dollars Two Million(US$ 2,000,000).

(b) If CONTRACTOR elects to enter into the Initial Exploration Period for three (3) years, during Year 1of the Initial Exploration Period, to conduct 2000 line kms of 2D seismic data acquisition, and 1100 square kms of 3D seismic data acquisition, all at an estimated cost of U.S. Dollars Thirteen Million and Five Hundred Thousand (US$ 13,500,000).

(c) During Year 2 of the Initial Exploration Period, to conduct the drilling of two wells, all at an estimated cost of U.S. Dollars Twenty Two Million (US$ 22,000,000).

(d) During Year 3 of the Initial Exploration Period, to conduct the drilling of two wells, all at an estimated cost of U.S. Dollars Twenty Two Million (US$ 22,000,000).

(e) If CONTRACTOR elects to enter into the First Extension Period of the Exploration Period for two (2) years, during Year 1 of the First Extension Period, to conduct Prospect Evaluation at an estimated cost of U.S. Dollars One Million (US$ 1,000,000).

(f) During Year 2 of the First Extension Period, to conduct the drilling of two wells all at an estimated cost of U.S. Dollars Twenty Two Million (US$ 22,000,000).

(g) If CONTRACTOR elects to enter into the Second Extension Period of the Exploration Period for one (1) year, to conduct the drilling of two wells, all at an estimated cost of U.S. Dollars Twenty Two Million (US$ 22,000,000).

The minimum work commitments specified in Section 5.2(b) to (g), respectively, shall only apply to the extent that CONTRACTOR elects to exercise its option to proceed into or extend, as the case may be, the Exploration Period as provided in Section 3.4.

5.3 If the CONTRACTOR fails to fulfill the minimum work commitment described in Section 5.2(a) to (g) for Study and Exploration Operations:

(a) during the Study (TEA) Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (a) and the amount actually expended on study operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the study operations set forth in Section 5.2 (a) during the Study Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2 (a) whether or not such amount was actually expended, or

(b) during the Initial Exploration Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (b) to (d) and the amount actually expended on Exploration Operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(b) to (d) during the Initial Exploration Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2(b) to (d) whether or not such amount was actually expended, or

(c) during extension of the Exploration Period thereafter, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2(e) and (g) attributable to such extension and the amount actually expended on or accrued for Exploration Operations during such extension provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(e) and (g) attributable to such extension of the Exploration Period it shall be deemed to have fulfilled the work commitments set forth in Section 5.2(e) and (g) for such extension, whether or not such amount was actually expended.

Notwithstanding anything in this Contract to the contrary, payment of such amount, if any, by CONTRACTOR in accordance with this Section 5.3, shall be MOGE's exclusive remedy for CONTRACTOR's failure to fulfill its minimum work commitment.

5.4 <u>Guarantees</u>

5.4.1 On the Effective Date, CONTRACTOR shall provide, in the form shown in Annexure "D" a Parent Company Guarantee as well as within thirty (30) days after entering into Study (TEA) Period provide a Performance Bank Guarantee issued by corresponding bank of

Myanma Foreign Trade Bank in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (a). If CONTRACTOR enters into the Initial Exploration Period it shall, provide similar Guarantees in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (b) to (d). If CONTRACTOR enters into any extension of the Exploration Period it shall, subject to Section 5.5, provide similar Guarantees in respect of the minimum expenditure commitment of the relevant extension period.

5.4.2 The CONTRACTOR shall furnish the Performance Bank Guarantee to MOGE in the amount equal to ten (10) percent of the aggregate value of its minimum expenditure commitment of Study (TEA) Period under Section 5.2 (a), in the event of entering into the Initial Exploration Period under Section 5.2 (b) to (d) and any extension of Exploration Period for the respective extension, same percentage of Performance Bank Guarantee shall be applicable; on condition that such Performance Bank Guarantee shall be provided within thirty (30) days after entering into such extension.

The Proceeds of Performance Bank Guarantee shall be payable to MOGE as compensation for any failure of CONTRACTOR's minimum work commitment under this Section 5.

Subject to the above clauses under Section 5.4.2, the Performance Bank Guarantee will be discharged by MOGE and return to CONTRACTOR not later than twenty (20) days following the date of completion of the respective period.

5.5 In the event the CONTRACTOR fails to perform the Exploration Operations specified in Section 5.2(b) to (d) during the Initial Exploration Period but desires to enter into the extension of the Exploration Period and has carried out Petroleum Operations with diligence, MOGE shall permit the CONTRACTOR to perform the Exploration Operations required during a specified extension in any subsequent extension of the Exploration Period.

5.6 If CONTRACTOR performs Exploration Operations beyond those required by Section 5.2(b) to (g) during the Initial Exploration Period or during the extension of the Exploration Period, the Additional Exploration Operations performed shall be credited toward CONTRACTOR's minimum work commitment obligations for the succeeding extension(s) of the Exploration Period.

SECTION 6

WORK PROGRAMMES AND BUDGETS

6.1 Unless otherwise provided herein, CONTRACTOR shall conduct Petroleum Operations in accordance with approved Work Programmes and Budgets and shall commence Petroleum Operations hereunder not later than three (3) months after the Commencement of the Operation Date.

6.2 Within sixty (60) days after the Commencement of the Operation Date, CONTRACTOR shall prepare and submit to MOGE for approval a Work Programme setting forth the Petroleum Operations which CONTRACTOR proposes to conduct during the first Contract Year and a Budget with respect thereto.

6.3 At least ninety (90) days before the end of the first Contract Year and every Contract Year thereafter, CONTRACTOR shall prepare and submit to MOGE for approval a proposed Work Programme and Budget for the next succeeding Contract Year.

6.4 If MOGE does not propose revisions to said Work Programme and Budget within such thirty (30) days period, the Work Programme and Budget proposed by CONTRACTOR shall be deemed to have been approved.

6.5 If MOGE requests any changes to the said Work Programme and Budget within such thirty (30) days provided in Section 6.4, then CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Work Programme and Budget. Revision to the Work Programme and Budget, agreed within a further period of thirty (30) days shall be incorporated in a revised Work Programme and Budget which shall then be deemed approved and adopted.

6.6 It is recognized by the Parties that the details of a Work Programme may require changes in the light of existing circumstances and nothing herein contained shall limit the right of the CONTRACTOR to make such changes with written approval of MOGE, provided they do not change the general objective of the Work Programme, nor increase the expenditure in the approved Budget.

6.7 It is further recognized that in the event of emergency or extraordinary circumstances requiring immediate action either Party may take all actions it deems proper or advisable to protect their interests and those of their respective employees and any costs so incurred shall be included in the Petroleum Costs.

6.8 MOGE agrees that the approval of a proposed Work Programme and Budget will not be unreasonably withheld and shall be approved if the Work Programme is consistent with generally accepted international petroleum industry practices.

6.9 The minimum Work Programme and Budget estimated for Study and each Exploration Periods shall be set forth by the Contractor as follows subject to provisions of Section 5:

Contract Period	**Estimated Expenditure**	**Work Programme**
Study (TEA) Period (Twelve months)	US$ 2,000,000	To load and process data and conduct Geological and Geophysical studies
Initial Exploration Period (Year 1)	US$ 13,500,000	To conduct 2D seismic acquisition 2000lkms and 3D acquisition 1100 sq kms
Initial Exploration Period (Year 2)	US$ 22,000,000	To conduct the drilling of two wells
Initial Exploration Period (Year 3)	US$ 22,000,000	To conduct the drilling of two wells
First Extension Period (Year 1)	US$1,000,000	To conduct prospect evaluation
First Extension Period (Year 2)	US$ 22,000,000	To conduct the drilling of two wells
Second Extension Period (1 Year)	US$ 22,000,000	To conduct the drilling of two wells
TOTAL	**US$ 104,500,000**	

SECTION 7

DISCOVERY AND APPRAISAL

7.1 The CONTRACTOR shall notify MOGE not later than thirty (30) days after any Discovery of Petroleum within the Contract Area. This notice shall summarize all available details of the Discovery and particulars of any additional testing programme to be undertaken and a map showing an outline of the boundaries of an area comprised of the portion of the Contract Area believed by CONTRACTOR to contain the Discovery.

7.2 If the CONTRACTOR considers that a Discovery merits appraisal, the CONTRACTOR shall, subject to Section 13 for Natural Gas, submit to the MOGE as soon as is practicable after completion of the exploration well in question a detailed Appraisal Programme and Budget to evaluate whether the Discovery is a Commercial Discovery.

7.3 If MOGE considers that an Appraisal Programme for a Discovery Area is merited, according to generally accepted international petroleum industry practices, MOGE may request that CONTRACTOR undertake such an Appraisal Programme, provided however that the CONTRACTOR may give reasons, also according to generally accepted international petroleum industry practices, as to why said Appraisal Programme should not be performed or should be deferred and the period of deferment.

7.4 The Appraisal Programme and Budget submitted by the CONTRACTOR to MOGE under Section 7.2 shall describe the Discovery Area, and the location, nature and estimated size of the Discovery and a designation of the area to be included in the evaluation. Once designated, a Discovery Area shall extend to all depths within its lateral boundaries, except as may be limited by Section 8. The Appraisal Programme shall also include a plan of all drilling, testing and evaluation to be conducted in the Discovery Area and all technical and economic studies related to recovery, treatment and transportation and delivery of Petroleum from Discovery Area.

7.5 If MOGE requests any changes to the Appraisal Programme and Budget for any Discovery Area, then MOGE shall so notify the CONTRACTOR in writing within fifteen (15) days of receipt thereof and the CONTRACTOR and MOGE shall meet within fifteen (15) days after receipt by the CONTRACTOR of MOGE's written notification as to the requested changes to endeavor to agree on a revised Appraisal Programme and Budget. The Appraisal Programme and Budget approved and adopted shall be CONTRACTOR's proposal as modified by agreed changes adopted thirty (30) days after receipt by the CONTRACTOR of MOGE's written notification of requested changes. If no changes are requested by MOGE, then CONTRACTOR's Appraisal Programme and Budget shall be deemed approved. The Parties recognize that the details of the Appraisal Programme may require modification as the result of changing circumstances and in that event, CONTRACTOR may make changes consistent with those set forth in this Section 7.

7.6 After adoption of the Appraisal Programme and Budget, the CONTRACTOR shall diligently continue to evaluate the Discovery in accordance with such programme without undue interruptions.

7.7 Within ninety (90) days after the evaluation is completed, but in any event prior to the expiration of the Exploration Period, or extension thereof pursuant to Section 3.4 or Section 3.5, the CONTRACTOR shall subject to Section 13, for Natural Gas, notify and report to MOGE whether the Discovery Area contains a Commercial Discovery. Such report shall include all relevant technical and economic data relating thereto.

7.8 For the purposes of this Section 7, the CONTRACTOR shall make a determination as to whether a Discovery is a Commercial Discovery on the basis of whether that Discovery can be produced commercially after consideration of pertinent operating and financial data collected during the performance of the Appraisal Programme and otherwise, including but not limited to Crude Oil and / or Natural Gas recoverable reserves, sustainable production levels and other relevant technical and economic factors, market availability, the basic Natural Gas pricing principles prevailing internationally, taking in consideration such factors as market, quality and quantity of the Natural Gas according to generally accepted internationally petroleum industry practices and the applicable laws of Myanmar and the provisions of this Contract.

SECTION 8

DEVELOPMENT AND PRODUCTION

8.1 At any time prior to the expiration of the Exploration Period, CONTRACTOR may notify MOGE in writing that CONTRACTOR has made a Commercial Discovery and furnish a map describing an area believed by CONTRACTOR to contain the Commercial Discovery ("Discovery Area"). If the CONTRACTOR reports that a Discovery is a Commercial Discovery under Section 7.7, a Development Plan shall be prepared by the CONTRACTOR and submitted to the MOGE as soon as is practicable after the completion of the Appraisal Work Programme.

8.2 The Development Plan shall be prepared on the basis of sound engineering and economic principles in accordance with generally accepted international petroleum industry practices and shall be designed to ensure that the Petroleum deposits do not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure and shall adopt the optimum economic well spacing appropriate for the development of those Petroleum deposits.

8.3 The Development Plan shall contain:

a) Details and the extent of the proposed Development and Production Area relating to the Commercial Discovery, which area shall correspond to the geographical extension of the Commercial Discovery plus a reasonable margin, and shall be designated as the Development and Production Area for the Commercial Discovery concerned. Once designated, a Development and Production Area shall extend to all depths within lateral boundaries.

b) Proposals relating to the spacing, drilling and completion of wells, the production and storage installations and the transportation and delivery facilities required for the production, storage and transportation of Petroleum within and outside of the Contract Area. In the event that pipeline and/or other transportation facilities for the transportation and delivery of Petroleum outside the Development and Production Area are contemplated by the CONTRACTOR, the Development Plan may provide:

i) For financing and construction of the pipeline and/or other transportation facilities.

ii) For the payment of transportation tariffs by the users of the facilities which are based upon the costs of financing, constructing, operating and maintaining the pipeline and / or other transportation facilities, including depreciation thereof, any applicable taxes, and a reasonable return on investment.

iii) For the ownership, financing and construction of pipeline and/or transportation facilities under a separate contract between the Parties, and in the event of such a proposal, the ownership, financing and construction of such pipeline and / or transportation facilities under such separate contract shall be as mutually agreed. The execution of a separate contract by the Parties for the ownership, financing and construction of pipeline and / or transportation facilities outside the Development and Production Area shall not amend, abridge, limit or otherwise modify the Parties' respective rights and obligations under this Contract, unless otherwise expressly agreed.

c) Proposals relating to necessary infrastructure investments and employment of Myanmar nationals, and use of Myanmar materials, products and services shall be made in accordance with Section 17.2 herein.

d) A production forecast and an estimate of the investment and expenses involved.

e) An estimate of the time required to complete each phase of the Development Plan.

8.4 MOGE may require the CONTRACTOR to provide within thirty (30) days of receipt of the Development Plan such further information as is readily available and as MOGE may reasonably need to evaluate the Development Plan for any Development and Production Arca.

8.5 If MOGE does not request in writing any changes to the Development Plan within ninety (90) days after receipt thereof, the plan shall be deemed approved and adopted by MOGE.

8.6 If MOGE requests any changes to the Development Plan within such ninety (90) days provided in Section 8.5, then the CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Development Plan. Revision to the Development Plan, agreed within a further period of ninety (90) days shall be incorporated in a revised plan which shall then be deemed approved and adopted.

8.7 After the Development Plan has been adopted, the CONTRACTOR shall submit to MOGE for discussion ninety (90) days before the end of each subsequent Financial Year a detailed statement of the Development Work Programme and Budget for such subsequent Financial Year, and, for the first full Financial Year and the portion of the Calendar Year preceding the first full Financial Year, a detailed statement of the Development Work Programme and Budget thereof shall be submitted within ninety (90) days after the date of adoption of the Development Plan under Section 8.5. Each such annual dctailcd statement of the Development Work Programme and Budget thereof shall be consistent with the Development Plan adopted under Section 8.5 or as revised pursuant to Sections 8.6 and 8.8.

8.8 The CONTRACTOR may at any time submit to MOGE revisions to any Development Plan or Development Work Programme and Budget. These revisions shall be consistent with the provisions of Section 8.2 and shall be subject to the approval procedure set forth in Sections 8.5 and 8.6.

8.9 The CONTRACTOR shall commence Development and Production Operations not later than three (3) months after the date of adoption of the Development Plan under Section 8.5 or Section 8.6.

8.10 Where MOGE and the CONTRACTOR agree that a mutual economic benefit can be achieved by constructing and operating common facilities (including, but not limited to, offshore production and processing structures, pipelines and other transportation, communication and storage facilities and value added downstream plants), the CONTRACTOR shall use its reasonable efforts to reach agreement with other producers and MOGE on the construction and operation of such common facilities, investment recovery and charges to be paid.

8.11 If, subsequent to the designation of a Development and Production Area, the extent of the area encompassing the Commercial Discovery or another such area over or underlying it is reasonably expected to be greater than the designation in the Development Plan under Section 8.3, the Development Area shall be enlarged accordingly, provided that the area covered shall be entirely within the original Contract Area designated in Section 1.14 (a) or, otherwise, not being yet awarded to any person other than MOGE.

SECTION 9

COST RECOVERY AND PROFIT PETROLEUM ALLOCATION

9.1 Subject to the provisions of Section 8.3 (b) referring to the financing and construction of the pipeline and/or other transportation facilities, CONTRACTOR, including MOGE pursuant to Section 19, shall provide all funds required to conduct Petroleum Operations under this Contract and may recover its costs and expenses only out of Cost Petroleum in the manner and to the extent permitted under Section 9.4. CONTRACTOR shall have the right to use free of charge Petroleum produced from the Contract Area to the extent it considers necessary for Petroleum Operations under this Contract.

9.2 Petroleum produced and saved and not used in Petroleum Operations (hereinafter referred to as "Available Petroleum" or "Available Crude Oil" or "Available Natural Gas" as may be applicable) shall be measured at the Delivery Point and allocated as set forth in Section 9.7.

9.3 CONTRACTOR may take such portion of Available Petroleum from the Contract Area as is necessary to discharge CONTRACTOR's obligations to pay the Royalty specified in Section 10.

9.4 CONTRACTOR shall recover all Petroleum Costs in accordance with Annexure "C" in respect of all Petroleum Operations hereunder to the extent of fifty percent (50%) per Quarter of all Available Petroleum from the Contract Area, provided, however, that in the event a Development and Production Area contains within its boundaries any well, equipment or facilities at a location (on or below the water surface or seabed) the water depth of which is more than 600 feet, then Petroleum Costs in respect of all Petroleum Operations in such Development and Production Area shall be recovered to the extent of sixty percent (60%) per Quarter of all Available Petroleum from such Development and Production Area and provided further, that (a) all costs and expenses of Development and Production Operations (inclusive of pipeline cost to move Crude Oil and / or Natural Gas to the Delivery Point for sale or transfer of ownership) in respect of any Development and Production Area shall be recoverable from Available Petroleum produced from any Development and Production Area, and (b) that all costs and expenses of Exploration Operations carried out in the Contract Area shall be recoverable from Available Petroleum produced from any Development and Production Area. Such Petroleum Costs shall be recovered out of Cost Petroleum in the later part of the Quarter in which such expenditures are incurred or in the Quarter in which Commencement of Commercial Production first occurs within the Contract Area.

9.5 To the extent that costs or expenses recoverable in a Quarter under Section 9.4 exceed the value of all Cost Petroleum from the Contract Area for such Quarter, the excess shall be carried forward for recovery in the next succeeding Quarter thereafter until fully recovered, but in no case after termination of this Contract.

9.6 The Petroleum valuation provisions of Section 12 shall be used for determining the value and quantity of Cost Petroleum by CONTRACTOR according to the incremental scale of Sections 9.4 and 9.5, based on average daily production over the Quarter from the relevant Development and Production Area.

9.7 With respect to each Development and Production Area, Available Petroleum not taken for purpose of payment of the Royalty under Section 10 nor taken as Cost Petroleum, as described in Sections 9.4 and 9.5, shall be "Profit Petroleum" in a Quarter and shall be allocated between MOGE and CONTRACTOR according to the following incremental scale, based on average daily production over the Quarter from the relevant Development and Production Area.

a) Available ***Crude Oil*** for water depths of 600 feet or less:

Barrels per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	80	20
100,001 – 150,000	85	15
> 150,000	90	10

b) Available ***Natural Gas*** for water depths of 600 feet or less:

Million Cubic Feet per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0– 300	65	35
301 – 600	75	25
601 – 900	85	15
> 900	90	10

c) Available ***Crude Oil*** for water depths more than 600 feet:

Barrels per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	75	25
100,001 – 150,000	80	20
> 150,000	85	15

d) Available ***Natural Gas*** for water depths more than 600 feet:

Million Cubic Feet per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 300	60	40
301 – 600	70	30
601– 900	80	20
>900	90	10

9.8 a) Subject to its obligations under Section 14, CONTRACTOR shall receive for each Quarter at the Delivery Point and, may separately dispose of, Crude Oil to which it is entitled pursuant to Section 9.4 plus its share in Profit Petroleum as stipulated in Section 9.7. Title and risk of loss shall pass to the buyer/recipient at such Delivery Point.

b) Natural Gas will be disposed of pursuant to the provisions of Section 13 and Section 14.

c) Each Party shall be responsible for the costs, incurred in disposing of its entitlement of Petroleum beyond the Delivery Point.

9.9 CONTRACTOR shall conduct a review of production programme prior to the Commencement of Commercial Production from any Development and Production Area and shall establish production at the maximum efficient rate needed to achieve the maximum ultimate economic recovery of Petroleum from that Development and Production Area in accordance with generally accepted standards of the international petroleum industry.

9.10 At least one hundred and eighty (180) days prior to Commencement of Commercial Production from a Development and Production Area, MOGE and CONTRACTOR shall agree on a procedure for lifting of their respective entitlements of Crude Oil, such procedure to contain reasonable provisions for under lift and over lift and for each Party to have the right to accumulate and lift economic sized cargoes.

9.11 The provision regarding payment of Income Tax imposed upon CONTRACTOR under the applicable provisions of the Income Tax Laws of the Republic of the Union of Myanmar shall be applied as follows:

a) CONTRACTOR shall be subject to the Myanmar Income Tax Laws and shall comply with requirements of the Myanmar Income Tax Law in particular with respect to filing of returns, assessment of tax, keeping and showing of books and records.

b) CONTRACTOR's annual taxable income for Myanmar Income Tax purposes shall be an amount equal to the CONTRACTOR's net income attributable to the Profit Petroleum allocated to the CONTRACTOR pursuant to Section 9.7 as adjusted for all other expenditures that may not be cost recoverable, but that are by reason of being normal business expenditures, deductible under the Income Tax Laws of the Republic of the Union of Myanmar. It is understood by both Parties that for purpose of determining net taxable income, CONTRACTOR shall also be allowed to deduct all legitimate and reasonable expenses incurred for the purpose of earning income under the existing provisions of the Myanmar Income Tax Law. Such expenses include but are not limited to:

i) interest incurred by CONTRACTOR to finance the Petroleum Operations (to the extent not cost recoverable); and

ii) production bonuses paid by CONTRACTOR pursuant to Section 11; and

c) The CONTRACTOR shall pay Myanmar Income Tax on the annual net taxable income as defined in Section 9.11 (b) above, in accordance with the provisions of the Income Tax Laws of the Republic of the Union of Myanmar and subject to the entitlements under the provisions of the Foreign Investment Law.

d) MOGE shall assist the CONTRACTOR to obtain proper official receipts evidencing the payment for CONTRACTOR's Myanmar Income Tax. Such receipts shall be issued by a duly constituted authority for the collection of Myanmar Income Taxes and shall state the amount and other particulars customary for such receipts. Provisional receipts shall be issued within ninety (90) days following the commencement of the next ensuing Financial Year and final receipt shall be issued not later than ninety (90) days after provisional receipts have been issued.

e) As used herein, Myanmar Income Tax shall be inclusive of all taxes on income payable to the Republic of the Union of Myanmar.

SECTION 10

ROYALTY

10.1 Royalty shall be paid in whole or in part, in cash or in kind, at the option of the Government, as provided in this Section 10.

10.2 In the absence of an election on the part of the Government to take Royalty in kind, Royalty accruing during a Quarter shall be paid in cash within thirty (30) days after the end of that Quarter. CONTRACTOR shall pay to the Government a Royalty equal to twelve point five percent (12.5%) of the value of Available Petroleum from the Contract Area, determined in accordance with Section 12, and adjusted by deducting an amount equal to the cost of transportation from the Delivery Point to the usual point of export.

10.3 CONTRACTOR shall be given at least one hundred and eighty (180) days prior notice of an election by the Government to take Royalty in kind and such option shall be effective for a minimum period of one (1) year. Unless otherwise agreed by the Government and CONTRACTOR, if the Government elects to take Royalty in kind, twelve point five percent (12.5%) of the Available Petroleum shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules. A lifting and nomination procedure will be agreed upon to effect regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules.

10.4 Royalty shall not be recoverable from Cost Petroleum.

SECTION 11

DATA FEE AND BONUSES

11.1 Data Fee

CONTRACTOR shall, within thirty (30) days after the Commencement of the Operation Date, pay to MOGE the sum of U.S. Dollars Three Hundred and Fifty Thousand (US$ 350,000) as Data Fee for data and information referred to in Section 2.4. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9 but tax deductible pursuant to Section 9.11.

11.2 Signature Bonus

Provided CONTRACTOR does not exercise its right to terminate this Contract pursuant to Section 3.4, CONTRACTOR shall, within thirty (30) days after entering into the Initial Exploration Period, pay to MOGE the sum of U.S. Dollars Five Million and two hundred thousand (US$ 5,200,000) as a Signature Bonus. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9.

11.3 Production Bonus - Crude Oil

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Crude Oil Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Crude Oil.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Twenty Five Thousand (25,000) Barrels per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Fifty Thousand (50,000) Barrels per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred Thousand (100,000) Barrels per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Thousand (150,000) Barrels per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Two Hundred Thousand (200,000) Barrels per day.

11.4 Production Bonus – Natural Gas

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Natural Gas Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Natural Gas.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Million Cubic Feet (150,000,000 ft^3) per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Three Hundred Million Cubic Feet (300,000,000 ft^3) per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Six Hundred Million Cubic Feet (600,000,000 ft^3) per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Seven Hundred and Fifty Million Cubic Feet (750,000,000 ft^3) per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Nine Hundred Million Cubic Feet (900,000,000 ft^3) per day.

11.5 Production Bonuses paid in accordance with Section 11.3 and 11.4 shall not be recoverable from Cost Petroleum.

SECTION 12

VALUATION OF PETROLEUM

12.1 Terms used in this Section shall have the following meanings:

a) "Arms Length Sales" means sales on the international market in freely convertible currencies between willing and unrelated sellers and buyers, excluding sales between Affiliates, sales between governments or government owned entities, sales affected by other commercial relationships between seller and buyer, transactions involving barter, and more generally any transactions motivated wholly or partly by considerations other than the usual commercial incentives.

b) "Reference Crude" means Crude Oil(s) produced in Asia which is/are of comparable gravity and quality to the Crude Oil valued hereunder. The appropriate Crude Oil(s) comprising Reference Crude shall be selected and agreed by MOGE and CONTRACTOR at least one hundred and eighty (180) days prior to Commencement of Commercial Production from any Development and Production Area.

c) "Reference Crude Price" means the average Free on Board ("FOB") point of export spot price for Reference Crude during the relevant time period as quoted in Platt's Oilgram Price Report or such other publication as MOGE and CONTRACTOR may agree, adjusted as necessary to exclude non-Arms Length Sales and to reflect thirty (30) days payment terms and differences in gravity and quality between the Reference Crude and the Crude Oil being valued hereunder.

d) "Transportation Cost" means the transportation cost determined by reference to the Average Freight Rate Assessment ("AFRA") last published by the London Tanker Broker and Association, or such other published Crude Oil freight rate as MOGE and CONTRACTOR may agree, applicable to voyages between the points specified, using vessels of appropriate size.

12.2 For the purpose of Section 9 and Section 10, a U.S. Dollar value per Barrel of Crude Oil shall be determined each Quarter. Such value shall be the Fair Market Value determined and defined in accordance with Section 12.3.

12.3 The Fair Market Value shall be the volume-weighted average of:

a) the price actually received by CONTRACTOR during the relevant Quarter in Arms Length Sales, if any, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms, and

b) the Reference Crude Price applicable for Crude Oil sold by CONTRACTOR during the relevant Quarter in non Arms Length Sales, adjusted to a Yangon point of export basis by adding the Transportation Cost of the Reference

Crude from its point of export to the market in which Myanmar Crude Oil would normally be sold and subtracting the Transportation Cost from Yangon to the market in which Myanmar Crude Oil would normally be sold.

12.4 Within twenty (20) days following the end of each Quarter, CONTRACTOR shall determine Crude Oil value in accordance with this Section and shall notify MOGE. Unless within twenty (20) days after receipt of such notice MOGE notifies CONTRACTOR that it does not agree with CONTRACTOR's determination and specifies in such notice the basis for such disagreement, the CONTRACTOR's determination shall conclusively be deemed to have been accepted. For Crude Oil Sales overlapping Quarters, a reconciliation mechanism shall be provided within the lifting procedure to be agreed upon as provided in Section 9.10.

12.5 In the event MOGE shall have timely notified CONTRACTOR, within the above described twenty (20) day period that it disagrees with CONTRACTOR's determination of Crude Oil value, MOGE and CONTRACTOR shall meet to discuss the CONTRACTOR's determination. Should MOGE and the CONTRACTOR fail to reach agreement on the Crude Oil value within seventy-five (75) days after the end of the Quarter in question, either Party may submit the value determination (and the selection of the Crude Oil to comprise Reference Crude if not previously agreed) to a panel of arbitrator in accordance with the provisions of Section 22.

12.6 The allocation of Crude Oil for Section 9, Section 10 and Section 14 shall be based on the value last determined or in the event of a dispute pursuant to Section 12.5, the average of the value determined by CONTRACTOR and the value proposed by MOGE. When a new value is determined, that value shall be applied retroactively for the Quarter in which the sales used in the determination occurred and appropriate adjustments shall then be made in the allocations of the Parties to reflect the retrospective application of the new Crude Oil value.

12.7 Natural Gas produced and sold during a Quarter shall be valued at the price realized by CONTRACTOR.

SECTION 13

NATURAL GAS

13.1 Any Natural Gas produced from the Contract Area, to the extent not used in Petroleum Operations there under, may be flared if the processing or utilization thereof is not economical. Such flaring shall be permitted to the extent that Natural Gas is not required to effectuate the economic recovery of Petroleum by secondary recovery operations, including repressuring and recycling.

13.2 In the event, however, CONTRACTOR considers that the processing and utilization of Natural Gas is not economical, then MOGE may choose to take from the outlet of the producing facilities at no cost to the CONTRACTOR and utilize such Natural Gas, free of charge that would otherwise be flared. All costs and liabilities related to the taking and handling of such gas shall be the exclusive responsibility of MOGE and for its sole account and risk.

13.3 If, upon completion of an Appraisal Programme, CONTRACTOR considers that a Discovery of Natural Gas is significant but not then economical for development but may become so within seven (7) years, it may, without prejudice to the relinquishment provisions under Section 4 and the notice provisions under Section 7 with respect to the remainder of the Contract Area, retain the Discovery Area and at any time within such seven (7) year period re-evaluate the economic viability of development and declare a Commercial Discovery. MOGE and CONTRACTOR shall jointly make every effort to establish an economically viable gas project based on the Discovery and shall negotiate appropriate terms for such a project. Multiple extensions of one (1) year each shall be made available to CONTRACTOR if justified by market conditions. MOGE approval for such extensions shall not be unreasonably denied. CONTRACTOR shall relinquish such Discovery Area upon request of MOGE if a Development Plan has not been proposed within the seven (7) year period of retention or during any extension granted.

SECTION 14

DOMESTIC CRUDE OIL AND NATURAL GAS REQUIREMENT

14.1 The CONTRACTOR including MOGE pursuant to Section 19, shall after the Commencement of Commercial Production of Crude Oil, fulfill its obligation toward the supply of the domestic Crude Oil market in Myanmar by making a share of its entitlement of Crude Oil available to MOGE. CONTRACTOR's obligatory share of the domestic market obligation will be twenty percent (20%) of the Crude Oil allocated to CONTRACTOR under Section 9.7. The price MOGE will pay CONTRACTOR for such Crude Oil shall be the equivalent of 90% of Fair Market Values as determined in accordance with Section 12 hereof, in US Dollars. Should the Government require amounts of Crude Oil in excess of that obligatory limit required to satisfy CONTRACTOR's domestic market obligation, the price shall be the value of Crude Oil as determined in accordance with Section 12 hereof, and the currency of payment shall be US Dollars. The CONTRACTOR shall be advised in writing by MOGE not less than ninety (90) days prior to the commencement of the deliveries. Notwithstanding the above CONTRACTOR's obligation shall not exceed the extent to which the Government shall make available U.S. Dollars which may be remitted abroad in payment of such excess Crude Oil.

14.2 CONTRACTOR shall receive payment for Crude Oil sold to MOGE pursuant to this Section 14 within forty five (45) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE. In the event CONTRACTOR has not received payment within such forty five (45) day period, CONTRACTOR shall be entitled to interest, compounded monthly at LIBOR plus three percent (3%) on all unpaid amounts commencing on the forty sixth (46th) day. As used herein, LIBOR means the average interbank offered rate for one (1) month U.S. Dollar deposits in the London market, as reported in the Wall Street Journal (New York edition) or if not published, then in the Financial Times of London, on the date the interest commences to accrue.

14.3 If CONTRACTOR has not received payment within ninety (90) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE pursuant to this Section 14, the CONTRACTOR's obligation to deliver Crude Oil pursuant to Sections 9 and 10, may, at CONTRACTOR's exclusive option, be suspended until such time as all payment (including interest) that are more than ninety (90) days past due are received. In order to collect past due amount, CONTRACTOR shall also have the right to lift and freely export relevant quantities of Crude Oil out of Royalty taken under Section 10 and MOGE's entitlement of Crude Oil under Sections 9.4 and 9.7, the value of which under Section 12 equals the amount owed by MOGE to CONTRACTOR, including accrued interest.

14.4 The provisions of Sections 14.1, 14.2 and 14.3 shall apply, mutatis mutandis, to the production of Natural Gas, provided, however that CONTRACTOR's

obligatory share of the domestic market obligation will be twenty-five percent (25%) of the Natural Gas allocated to CONTRACTOR under Section 9.7.

14.5 Notwithstanding the above,

(a) CONTRACTOR shall give priority to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar. If downstream industries in Myanmar cannot utilize the discovered Natural Gas and/or Crude Oil, CONTRACTOR can freely dispose of in consultation and on agreement with MOGE.

(b) In the event, CONTRACTOR considers that the Commercial Discovery is economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR will use its utmost efforts to utilize the Natural Gas and/or Crude Oil in order to produce Value Added Petroleum Downstream Products as soon as possible in consultation with MOGE under separate contract.

(c) In the event, MOGE and CONTRACTOR consider that the Commercial Discovery is not economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR shall have the right during the term hereof to freely dispose of and export or sell domestically its share of Natural Gas and/or Crude Oil and retain abroad the proceeds obtained therefrom.

SECTION 15

EMPLOYMENT AND TRAINING

15.1 In conducting Petroleum Operations hereunder, CONTRACTOR shall select its employees and determine the number thereof. CONTRACTOR shall endeavor to employ qualified Myanmar citizens in accordance with the Foreign Investment Law, rules and regulation of the Republic of the Union of Myanmar. In doing so, CONTRACTOR shall submit a staffing plan for the Development and Production Operations at all levels up to the management level. The employment of Myanmar nationals shall be reviewed from time to time by the Management Committee.

15.2 CONTRACTOR shall spend a minimum of U.S. Dollars Fifty Thousand (US$ 50,000) per Contract Year during the Exploration Period of this Contract for one or more of the following purposes:

a) the purchase for MOGE of advanced technical literature, data and scientific instruments;

b) to send qualified Myanmar nationals to selected accredited universities; and

c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

15.3 Starting with the first Contract Year commencing after the commencement of the Development and Production Period for the first Development and Production Area, CONTRACTOR's minimum expenditure commitment under this Section shall be increased to U.S. Dollars One Hundred Thousand (US$ 100,000) per Contract Year.

15.4 The expenditure of sums for the purposes specified above shall be spent in consulting with MOGE.

15.5 If training expenditures fall short of the minimum training expenditure obligations for a year, the deficiency shall be carried forward and expended in succeeding years. If training expenditures in any Contract Year exceed the minimum training expenditure obligation for that Contract Year the excess shall be credited to the training expenditure obligations for succeeding Contract Years.

15.6 All expenditures made pursuant to this Section 15 relating to training and education, including any payments made to MOGE pursuant to Section 15.7, shall be fully recoverable from Cost Petroleum pursuant to Section 9.

15.7 The CONTRACTOR shall establish a research & development fund in the sum of zero point five (0.5) percentage of its share of Profit Petroleum and the expenditure of this fund will be determined in consultation with MOGE and shall be cost recoverable under Section 9.

SECTION 16

TITLE OF ASSETS

16.1 CONTRACTOR's physical assets which are acquired for purposes of the Petroleum Operations shall become the property of MOGE and shall be cost recoverable by CONTRACTOR pursuant to Section 9, upon importation into Myanmar or upon acquisition in Myanmar. Data, information, reports and samples acquired or prepared by CONTRACTOR for the Petroleum Operations shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9 when acquired or prepared.

16.2 The physical assets, referred to in Section 16.1 shall remain in the custody of CONTRACTOR during the term of this Contract and CONTRACTOR shall have the unrestricted and exclusive right to use such assets in the Petroleum Operations free of charge subject to the provisions of Section 17. CONTRACTOR may retain and freely use, within or outside Myanmar, copies of all data, information and reports and representative portions of all samples, including but not limited to geologic, core, cutting and Petroleum samples.

16.3 The provisions of Section 16.1 shall not apply to assets rented or leased by CONTRACTOR or its Affiliates; nor to assets owned by CONTRACTOR's contractor, subcontractors, its / their Affiliates or other parties.

16.4 For the purpose of this Section, in the event of the replacement or transfer of the motor vehicles used by CONTRACTOR in Petroleum Operations, occurs during the term of this Contract or the expiration or termination of this Contract, CONTRACTOR shall hand-over or transfer such motor vehicles to MOGE in good condition and running status.

SECTION 17

RIGHTS AND OBLIGATIONS OF MOGE AND CONTRACTOR

17.1 MOGE shall:

a) have and be responsible for the management of the operations contemplated hereunder, however MOGE shall assist and consult with CONTRACTOR with a view to the fact that CONTRACTOR is responsible for the execution of the Work Program;

b) i) except as provided in Section 17.2 (c) and 17.2 (d) below, and in Section 9.11, assume and discharge all Myanmar's taxes imposed upon CONTRACTOR, its contractors and subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum, including import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contractors for Petroleum Operations;

ii) assume and discharge all exactions applicable under the laws of the Republic of the Union of Myanmar in respect of property, capital, net worth and operations, including any tax imposed upon goods procured domestically, sales, gross receipts or transfers of property, or any levy on or in connection with operations performed hereunder by CONTRACTOR, its contractors or its subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum;

iii) not be obliged to pay taxes on tobacco, liquor, and other taxes charged on goods and services, import and export duties, customs duties and sales tax and any other tax levied upon articles imported for personal use by the CONTRACTOR, its contractors and sub-contractors employees engaged in Petroleum Operations under this Contract;

c) assist and expedite CONTRACTOR's execution of the Work Programme by providing at cost facilities supplies and personnel including, but not limited to, supplying or making available all necessary visas, work permits, transportation, security protection and rights of way and easements as may be requested by CONTRACTOR and made available from the resources under MOGE's control. In the event such facilities, supplies, or personnel are not readily available, then MOGE shall promptly secure the use of such facilities, supplies and personnel from alternative sources. Expenses thus incurred by MOGE at CONTRACTOR's request shall be reimbursed to MOGE by CONTRACTOR and included in the Petroleum Cost. Such reimbursements will be made in U.S. Dollars computed at the prevailing market rate through authorized dealer bank at the time the expenses were incurred;

d) have title to all original data resulting from the Petroleum Operations including but not limited to geological, geophysical, petrophysical and engineering data, well logs and completion status reports and any other data as CONTRACTOR may compile during the term hereof for which CONTRACTOR is entitled to retain copies;

e) to the extent that it does not interfere with CONTRACTOR's performance of the Petroleum Operations reasonable use of equipment which becomes its property by virtue of this Contract solely for the Petroleum Operations or for any alternative purpose, provided that approval of CONTRACTOR is first obtained;

f) have the right to consult with CONTRACTOR regarding the immediate removal and replacement of any of the CONTRACTOR's employees at the cost of the CONTRACTOR, if in the consideration of MOGE the employee is incompetent in his work and/or unacceptable to MOGE by reason of his acts or behavior;

g) take best efforts to assist CONTRACTOR to obtain all the permits, clearances, licenses and approvals necessary for the performance of this Contract in Myanmar pursuant to Section 5.1;

h) appoint its authorized representative with respect to this Contract; and

i) assist CONTRACTOR by taking such measures as may be requested by CONTRACTOR to avoid double taxation so that CONTRACTOR's income taxes are creditable for income tax purpose, provided that such request is consistent with the laws of Myanmar.

17.2 CONTRACTOR shall;

a) furnish all funds as may be necessary for the entire Petroleum Operations executed pursuant to this Contract;

b) be responsible to conduct Petroleum Operation in accordance with the good international petroleum industry practices.

c) be responsible to withhold and pay the withholding tax for the payments made for goods and services and the appropriate authorities income tax from payments made to its expatriate employees to the extent required to do so under the Income Tax Law of the Republic of the Union of Myanmar and require CONTRACTOR's contractors and subcontractors to withhold and pay such income tax payments;

d) be responsible to pay to appropriate authorities import duties, customs duties, sales tax and other duties levied on motor vehicles brought into Myanmar for personnel use and not for field use by CONTRACTOR, its contractors and sub-contractors, in addition, except as provided in Section 17.1(b) above, be responsible to pay to appropriate authorities import and export duties, customs duties, sales tax and other duties levied on

materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contracts for Petroleum Operation during the period from the date which the CONTRACTOR commences the sales and purchase of Petroleum produced hereunder to the date of termination occurs under Section 25 hereof. The cost and expenses incurred shall be Cost Recoverable as Petroleum Costs under Section 9.4;

e) be responsible for execution of Work Programme which shall be implemented in a work-man like manner and CONTRACTOR shall take such precautions for protection of navigation and fishing and CONTRACTOR shall be responsible to conduct Petroleum Operations in accordance with the applicable provisions of the International Financing Corporation Performance Standards (2012), the World Bank Group Environmental, Health and Safety Guidelines for Offshore Oil & Gas Development (2007), good international petroleum industry practices and the laws, regulations and directives of the Republic of the Union of Myanmar with respect to Environmental and social protection oil mitigation. The steps to carry out these obligations shall be instituted into the Work programmed. It is also understood that the execution of the Work Programme shall be exercised so as not to conflict with the laws of the Republic of the Union of Myanmar as they exist as of the Effective Date;

f) be responsible to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar as priority referred to in Section 14.5.

g) be entitled to import CONTRACTOR's physical assets on Investment Basis as well as import CONTRACTOR's leased property, property of its contractors and its subcontractors on Drawback Basis;

h) be entitled to export all property which are imported on Drawback Basis;

i) have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, benefits or interests under this Contract to an Affiliate or with the prior written consent of MOGE to other third parties; the consent by MOGE on this matter shall not be unreasonably withheld;

Provided that notwithstanding anything contained elsewhere in the Contract, CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer to a non-Affiliate other than MOGE of the interests under this Contract or of the shares in the Company, registered under Section 5.1.

(1)	If the amount of Net Profit arising from the said sale or transfer is up to and including US$100 million	40%
(2)	If the amount of Net Profit arising from the said sale or transfer is above US$100 million and up to and including US$150 million	45%

(3) If the amount of Net Profit arising from the said sale or transfer is over US$150 million — 50%

j) have the right of access to and from the Contract Area and to and from facilities wherever located at all times;

k) after entering the Initial Exploration Period, submit to MOGE daily drilling reports (where applicable) and weekly and monthly progress reports;

l) submit to MOGE copies of all such original geological, geophysical, drilling, well, production and any other data and reports, including interpretive reports, relating to the Contract Area as it may compile during the term hereof;

m) as required under Section 15, prepare and carry out plans and programmes for industrial training and education of Myanmar nationals selected by MOGE from its staff for all job classifications with respect to operations contemplated hereunder;

n) appoint authorized representative for Myanmar with respect to this Contract, who shall have an office in Yangon.Such representative shall represent CONTRACTOR in the conduct of Petroleum Operations hereunder;

o) unavoidably give preference to and require its contractors and subcontractors to give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;

p) unavoidably execute Petroleum Operations in accordance with the Work Programme utilizing twenty-five (25) percent of the approved Budget for each Financial Year for goods and services that are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required, subject to the approval of MOGE unless otherwise agreed upon by both parties;

q) procure such goods and services for the execution of the Work Programme through international tender procedures approved by MOGE unless otherwise agreed upon by both Parties;

r) allow duly authorized representatives of MOGE to have reasonable access to the Contract Area and to the operations conducted thereon. Such representatives may examine data, books, register and records of CONTRACTOR, and make a reasonable number of surveys, drawings and tests for the purpose of enforcing this Contract. They shall, for such purpose, be entitled to make reasonable use of machinery and instruments of the CONTRACTOR. Each Party shall assume responsibility for the

safety of its employees and representatives except in the case of gross negligence or willful misconduct of the other Party. Such representatives shall be given reasonable assistance by the agents and employees of the CONTRACTOR so that none of their activities shall endanger or hinder the safety or efficiency of the operations. The CONTRACTOR shall offer such representatives all privileges and facilities accorded to its own employees in the Contract Area and shall provide them, free of charge, the temporary use of reasonable office space while they are in the Contract Area and transportation facilities for them to and from the Contract Area for the purpose of facilitating the objectives of this Section;

s) have the right to use and have access to and MOGE shall furnish all geological, geophysical, drilling, well production and other information held by MOGE or by any other governmental agency or enterprise, relating to the Contract Area including but not limited to well location maps;

t) have the right to use and have access to and MOGE shall make available so far as possible, all geological, geophysical drilling, well production and other information now or in the future held by it or by any other governmental agency or enterprise relating to the areas adjacent to the Contract Area;

u) shall employ safety precautions and safe working practices during the Petroleum Operations as are consistent with international petroleum practices;

v) prior to the Petroleum Operations commencement date nominate a person to act as the safety officer of CONTRACTOR who shall be the representative directly responsible for enforcing CONTRACTOR's safety rules;

w) not be liable to MOGE or the Government for special, indirect or consequential damages resulting from or arising out of the Petroleum Operations, including without limitation, loss of profit business interruption or the inability to produce Petroleum;

x) subject to Section 17.2 (q), have the right to freely import all materials, equipment and supplies required in connection with the performance of the Petroleum Operations;

y) require its contractors and sub-contractors to :

   i) export from the Republic of the Union of Myanmar all materials equipment and supplies (other than those consumed in the operations) within four (4) months from the expiration or termination date of the contract under which such materials, equipment and supplies were imported; and

   ii) be responsible for all such taxes and duties attributable to such items not exported within such four (4) month period;

z) establish an office within Myanmar to coordinate the operations to be conducted within the Contract Area;

aa) CONTRACTOR and its personnel, while in Myanmar, shall respect and abide by all laws and regulations of Myanmar, and shall refrain from interfering in the internal affairs of the Republic of the Union of Myanmar;

bb) be responsible to conduct environmental impact assessment (EIA) and social impact assessment (SIA) and to development of Environmental Management Plan (EMP) and implementation for the environmental protection and management in the Contract Area in accordance with the laws, rules, regulations, directive and notifications of the Republic of the Union of Myanmar in conformity with international petroleum industry's practices with respect to the environment protection and mitigation;

cc) collaborate with MOGE to implement the Extractive Industries Transparency Initiative;

dd) expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the code of conduct of each CONTRACTOR Party; and

ee) after the expiration or termination of this Contract, or relinquishment of part of the Contract Area, or abandonment of any field, prearrange to remove all equipment and installations from the area in a manner acceptable to MOGE, and perform all necessary site restoration activities in accordance with the applicable rules and regulations of the Government of the Republic of the Union of Myanmar and international petroleum industry practices to prevent hazards to human life and property of others or environment. Abandonment costs shall be recoverable from Cost Petroleum under Section 9.

SECTION 18

MANAGEMENT COMMITTEE

18.1 MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programmes. For the purpose of the proper implementation of this Contract, the Parties shall establish a Management Committee ("**Management Committee**") within forty-five (45) days from the Commencement of the Operation Date. The Management Committee shall have overall supervision and management of Petroleum Operations including approved Works Programmes and Budgets. The duties and responsibilities of the Management Committee shall be as prescribed in Annexure "E".

SECTION 19

STATE PARTICIPATION

19.1 MOGE shall have the right to demand from CONTRACTOR that up to twenty percent (20%) undivided interest in the total rights and obligations under this Contract be offered after Commercial Discovery. MOGE shall have the option to increase the undivided interest in the total rights and obligations under this Contract up to twenty five percent (25%) if the reserve is greater than five (5) trillion cubic feet on Barrels of Oil Equivalent (BOE) basis.

19.2 The right referred to in Section 19.1 shall lapse unless exercised by MOGE not later than ninety (90) days after CONTRACTOR's notification by registered letter to MOGE of its first Discovery of Petroleum in the Contract Area, which in the judgment of CONTRACTOR after consultation with MOGE can be produced commercially. MOGE shall make its demand known to CONTRACTOR by registered letter.

19.3 CONTRACTOR shall make its offer by registered letter to MOGE within thirty (30) days after receipt of MOGE's registered letter referred to in Section 19.2. CONTRACTOR's letter shall be accompanied by a copy of this Contract and a Draft Operating Agreement embodying the manner in which CONTRACTOR and the MOGE shall cooperate. The main principles of the Draft Operating Agreement are contained in Annexure "F" to this Contract.

19.4 The offer by CONTRACTOR to the MOGE shall be effective for a period of one hundred and eighty (180) days. If MOGE has not accepted this offer by registered letter to CONTRACTOR within the said period, CONTRACTOR shall be released from the obligation referred to in this Section.

19.5 In the event of acceptance by MOGE of CONTRACTOR's offer, MOGE shall be deemed to have acquired the undivided interest on the date of CONTRACTOR's notification to MOGE referred to in Section 19.2.

19.6 For the acquisition of an undivided interest in the total of the rights and obligations arising out of this Contract, MOGE shall reimburse CONTRACTOR an amount equal to the percentage interest acquired by MOGE pursuant to Section 19 of the sum of Petroleum Costs which CONTRACTOR has incurred for and on behalf of its activities in the Contract Area as from the Commencement of the Operation Date up to the date of MOGE's notification to CONTRACTOR exercising the rights mentioned in Section 19.1, in addition to the same percentage of Data Fee and the bonuses paid by the CONTRACTOR under Section 11 of this Contract. All costs incurred after such election shall be covered by the Operating Agreement between MOGE and the CONTRACTOR.

19.7 At the option of MOGE, the amount referred to in Section 19.6 shall be reimbursed:

a) either by transfer of the said amount by MOGE within three (3) months after the date of its acceptance of CONTRACTOR's offer referred to in

Section 19.3, to CONTRACTOR's account with the banking institution to be designated by CONTRACTOR in the currency in which the relevant costs have been financed or

b) by way of payment out of production of fifty percent (50%) of MOGE's production entitlements under this Contract (either as MOGE or CONTRACTOR) valued in the manner as described in Section 12 of this Contract commencing on the Commencement of Commercial Production.

19.8 At the time of its acceptance of CONTRACTOR's offer, MOGE shall state whether it wishes to reimburse in cash or out of its production entitlements in the manner indicated in Section 19.7.

19.9 If at any time MOGE wishes to dispose of all or part of its undivided interest, the CONTRACTOR shall have the right to acquire such undivided interest from MOGE on the same terms and conditions as agreed to by MOGE and the proposed transferee. The procedure to be followed will be detailed in the Operating Agreement referred to in Section 19.6.

SECTION 20

FORCE MAJEURE

20.1 In the event Force Majeure hinders, prevents or delays performance of any obligation under this Contract or the performance of any Petroleum Operations planned by CONTRACTOR for the purpose of fulfilling any such obligation:

a) the failure or delay in performance, unless due to non-availability of funds, shall be excused and the affected Party's obligations under the Contract shall be suspended while the Force Majeure continues and for a reasonable time thereafter sufficient for the affected Party to place itself in the same position as immediately prior to the occurrence of Force Majeure, and

b) the period of suspension shall be added to the term of this Contract and all designated deadlines and time periods for making payments and performing Petroleum Operations under the Contract shall be extended accordingly.

20.2 For purposes of this Contract "Force Majeure" means any event beyond the reasonable control of the Party invoking it. By way of illustration only, Force Majeure includes but shall not be limited to strikes, active hostilities or imminent threat of hostilities, blockades, riots, insurrection, fire, epidemics, natural phenomena or calamities, acts of public authorities, acts of God, substantial non-availability of services or equipment, substantial breakdown of equipment and accidents provided always that the foregoing incidents are beyond the reasonable control of the Party invoking Force Majeure.

20.3 The affected Party shall give notice to the other Party as soon as possible stating the cause of the failure or delay in performance. Similarly, it shall give notice as soon as normal conditions are restored.

20.4 The Parties shall take all reasonable measures to remove the cause for such failure or delay in performance and to minimize the consequences of any event of Force Majeure.

20.5 Neither Party shall be entitled to make any claim against the other Party for any expenses incurred due to Force Majeure.

20.6 CONTRACTOR shall have the right to terminate this Contract and shall be discharged from all obligations hereunder, specifically including the obligation to perform the minimum work commitments under Section 5.2 and the obligation to pay any deficiency under Section 5.3, if Force Majeure should continue for a period of at least twenty-four (24) consecutive months.

SECTION 21

GOVERNING LAW, JURISDICTION AND INALIENABLE RIGHTS

21.1 This Contract shall be governed by and construed and interpreted in all respects in accordance with the laws of the Republic of the Union of Myanmar.

21.2 Without prejudice to Section 22.2, the Parties hereby agree to submit to the jurisdiction of the relevant Court of Myanmar and all Courts competent to hear appeals there from.

21.3 Subject to Section 8(b) of the State-owned Economic Enterprises Law 1989, no term or provisions of this Contract, including the agreement of the Parties to submit to Arbitration herein, shall prevent or limit the Government of the Republic of the Union of Myanmar from exercising its inalienable rights on its natural resources.

SECTION 22

CONSULTATION AND ARBITRATION

22.1 Periodically, MOGE and CONTRACTOR shall meet to discuss the conduct of the Petroleum Operations envisaged under this Contract and will make every effort to settle amicably any problem arising there from.

22.2 Any and all disputes, controversies, or claims between the Parties or its Affiliates arising out of or relating to this Contract or the performance, breach, termination, or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said rules, one (1) for the MOGE, one (1) for the CONTRACTOR, the third one to be designated in accordance with the said Rules.

22.3 The place of arbitration shall be Singapore with administration by the Singapore International Arbitration Centre ("SIAC") in accordance with its Practice Note on UNCITRAL cases. The language of the arbitration shall be English.

22.4 In rendering an award, the arbitrators shall take account of the laws of the Republic of the Union of Myanmar.

22.5 The arbitral award shall be final and binding on all Parties on the matter under arbitration save in the event of:

i) fraud;

ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;

iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence; or

iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

In which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules.

Once final, judgment may be entered on the arbitral award by any court of competent jurisdiction.

Each Party agrees that its rights and obligations under this Contract are of a commercial nature. To the extent that a Party may be entitled to claim for itself or any of its assets immunity (whether sovereign or otherwise), each Party waives any claim to immunity in connection with any effort to enforce or execute any order, judgment, award or other remedy.

22.6 Each Party shall continue fully to perform all of its obligations under this Contract, other than those subject to the dispute submitted to arbitration, during the pendency of the determination.

SECTION 23

BANKING

23.1 CONTRACTOR shall supply CONTRACTOR's share of all funds necessary for Petroleum Operations in Myanmar in freely convertible currency from abroad except to the extent that Myanmar currency is generated in connection with the performance of the Petroleum Operations.

23.2 CONTRACTOR in accordance with the Foreign Investment Law and the Foreign Exchange Management Law of the Republic of the Union of Myanmar existing as of the date hereof, shall open and maintain foreign bank accounts in Myanmar at authorized banks and to receive abroad, remit abroad, retain abroad and use the entirety of the foreign exchange proceeds which are received from export and local sales of its share of Petroleum from the Contract Area or which are in any way generated in connection with the performance of the Petroleum Operations.

23.3 CONTRACTOR shall be entitled to purchase Myanmar currency at authorized banks whenever required for the Petroleum Operations and to convert into freely convertible foreign currency any excess Myanmar currency which is not then needed for local requirements.

23.4 Normal bank commissions and costs of transfers relating to currency conversions or remittances shall be borne by CONTRACTOR and shall be recoverable from Cost Petroleum.

23.5 CONTRACTOR shall be entitled to pay its foreign-controlled contractors and subcontractors and its expatriate employees in foreign currency abroad, and such contractors, subcontractors and expatriate employees shall be entitled to receive and retain such foreign currency abroad.

23.6 The provisions of Sections 23.2, 23.3, 23.4 and 23.5 shall also apply to CONTRACTOR's expatriate employees and CONTRACTOR's foreign controlled contractors, subcontractors and their expatriate employees.

23.7 Unless otherwise expressly agreed, all payments by CONTRACTOR to MOGE or the Government hereunder and all payment by MOGE or the Government to CONTRACTOR hereunder shall be made in U.S. Dollars at a bank in Myanmar or abroad as specified by the recipient.

SECTION 24

INSURANCE

24.1 As to all operations performed by the CONTRACTOR under this Contract, the CONTRACTOR shall secure and maintain insurance in accordance with Foreign Investment Law and rules and procedures relating to the Foreign Investment Law, to the extent that all such insurances are available in the local market. CONTRACTOR, however, may provide such insurance coverage to fulfill the requirements hereunder through the use of any world-wide policy or policies with Certificates of Insurance evidencing such coverage and containing a statement that such insurance shall not be materially changed or canceled without at least thirty (30) days prior written notice.

24.2 The CONTRACTOR shall require that its contractors and subcontractors procure similar insurance to those required to be procured by the CONTRACTOR and such additional insurances as CONTRACTOR shall deem appropriate, all to be evidenced by Certificates of Insurance.

24.3 To eliminate controversy, the expense and inconvenience thereof, as between MOGE and the CONTRACTOR, it is agreed that the insurance policies shall be endorsed so that the underwriters, insurers and insurance carriers of each with respect to this Contract shall not have any right of recovery against either of the Parties hereto or their representatives in any form whatsoever, and the rights of recovery with respect to this operation are mutually waived. All policies of insurance herein provided and obtained or required by either Party shall be suitably endorsed to effectuate this waiver of recovery.

SECTION 25

TERMINATION

25.1 This Contract may be terminated by the CONTRACTOR by giving not less than ninety (90) days written notice to MOGE provided, however, CONTRACTOR may not so terminate this Contract during the Exploration Period or any extension thereof prior to fulfilling the applicable conditions specified in Section 5.

25.2 This Contract shall be terminated in its entirety by MOGE if it is proved that the CONTRACTOR, acting as a company and not including actions of its employees, intentionally and knowingly is involved in political activities detrimental to the Republic of the Union of Myanmar. On such termination, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.3 If the CONTRACTOR is in material breach of any of its obligations under this Contract, MOGE shall give notice to remedy such breach within sixty (60) days. If CONTRACTOR fails to remedy such breach within the said sixty (60) days, MOGE shall have the right to terminate this Contract by delivering a notice of termination to the CONTRACTOR. Once terminated, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.4 Subject to earlier termination upon notice by CONTRACTOR pursuant to Section 25.1, this Contract shall automatically terminate in its entirety on the later of the occurrence of one of the following events:

a) If there is no Commercial Discovery of Petroleum in the Contract Area during the Exploration Period or extension thereof;

b) At the end of the Development and Production Periods relating to all Development and Production Areas within the Contract Area; or

c) At the end of the Natural Gas/Crude Oil commercialization period or extension provided for in Section 13.3.

SECTION 26

BOOKS AND ACCOUNTS AND AUDITS

26.1 Subject to the requirement of Section 17.2, CONTRACTOR shall be responsible for keeping complete books and accounts with the assistance of MOGE reflecting all Petroleum Costs as well as monies received from the sale of Petroleum, consistent with international petroleum industry practices and proceedings as described in Annexure "C" attached hereto. Should there be any inconsistency between the provisions of this Contract, and the provisions of Annexure "C", then the provisions of the Contract shall prevail.

26.2 MOGE and the Government shall have the right to inspect and audit CONTRACTOR's books and accounts relating to this Contract for any Financial Year covered by this Contract following the end of the Financial Year. Any exception must be made in writing within sixty (60) days following the completion of such audit. Such audit shall be performed within two Financial Years after the closing of the related Financial Year.

SECTION 27
GENERAL PROVISIONS

27.1 Notices

a) Notices and other communications required or permitted to be given under this Contract shall be deemed given when delivered and received in writing either by hand or through the mail, or facsimile, appropriately addressed as follows:

to MOGE:

i) By hand or mail: MYANMA OIL AND GAS ENTERPRISE
BUILDING NUMBER 44, NAY PYI TAW,
REPUBLIC OF THE UNION OF MYANMAR.

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: 00 95 67 411125

to CONTRACTOR PARTIES:

ROC OIL (MYANMAR) PTE. LTD.

i) By hand or mail: 80 ROBINSON ROAD, #02-00
SINGAPORE 068898
TEL:

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile:

TAP ENERGY (M-7) PTE. LTD.

i) By hand or mail: BLOCK 635 PASIR RIS DRIVE 1,
#11-600, SINGAPORE 510635
TEL:

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile:

SMART E&P INTERNATIONAL COMPANY LIMITED

i) By hand or mail: 5TH FLOOR, CITY BANK BUILDING,
BANYARDALA RD,
MINGALAR TAUNGNYUNT TOWNSHIP,
YANGON,
REPUBLIC OF THE UNION OF MYANMAR

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: 00 95 1 299 622

b) any notice given by hand delivery or registered mail shall be deemed given at the time of delivery and any notice given by facsimile shall be deemed to be given at the time transmission has been confirmed provided however, where the time of transmission falls outside the normal business hours of the recipient, delivery shall be deemed to be given at 09:00 hours (recipient's local time) on the next following business day at the location of the receipt.

c) MOGE and CONTRACTOR may change its address or addresses by giving notice of the change to each other.

27.2 Language of Text

This Contract is made and entered into in the English Language.

27.3 Effectiveness

This Contract shall be legally binding on and from the Effective Date.

27.4 Covenants Against Undue Influence

The Parties agree that they will comply with applicable anti-corruption laws of the Republic of the Union of Myanmar.

27.5 Secrecy

a) Contractor undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations in the Republic of the Union of Myanmar. The CONTRACTOR understands fully that this undertaking and obligation is a continuing one which will be binding also on its successors, legal representatives and permitted assigns, until such time when MOGE agrees in writing to release CONTRACTOR from its undertakings and obligations. CONTRACTOR may disclose data and information to government authorities if required by law and, in order to facilitate the conduct of the Petroleum Operations may also disclose data and information to affiliates, its contractors, consultants and bone fide prospective assignees provided that the CONTRACTOR obtains an undertaking by the recipient to maintain such data in strictest secrecy and

confidence.

b) MOGE may use at its own discretion all the data and information obtained during the course of operations in the Republic of the Union of Myanmar but shall undertake to maintain such data and information in strictest secrecy and confidence during the term of this Contract.

27.6 Change of Conditions

In the event that any situation or condition arises due to circumstances not envisaged in the Contract that warrants amendments to the Contract the Parties shall negotiate and make the necessary amendments.

27.7 Stabilization

If a material change occurs to the CONTRACTOR's economic benefits after the Commencement of the Operation Date of the Contract due to the promulgation of new laws decrees, rules and regulations, any amendment to the applicable laws, decrees, rules and regulations or any reinterpretation of any of the foregoing made by the Government, the Parties shall consult promptly and make all necessary revisions or adjustment to the relevant provisions of the Contract in order to maintain the CONTRACTOR's normal economic benefit hereunder.

27.8 Entire Agreement

This Contract supersedes all prior understandings and agreements of the Parties and may not be modified by any means except by written instrument signed by both Parties. The Contract is to be read, interpreted and enforced as a single, indivisible fully integrated agreement representing the entire expression of the Parties in writing with respect to the subject matters therein contained.

IN WITNESS WHEREOF, this Contract has been executed by a duly authorized signatory of each respective Party named below at Nay Pyi Taw, the Republic of the Union of Myanmar as of the day and year first above mentioned.

Signed, sealed and delivered

For and on behalf of
MYANMA OIL AND GAS ENTERPRISE

____

MANAGING DIRECTOR

Signed, sealed and delivered

For and on behalf of
ROC OIL (MYANMAR) PTE. LTD.

____

For and on behalf of
TAP ENERGY (M-7) PTE. LTD.

____

For and on behalf of
SMART E&P INTERNATIONAL COMPANY LIMITED

____

IN THE PRESENCE OF:

____

DIRECTOR GENERAL
ENERGY PLANNING DEPARTMENT

____

____

____

ANNEXURE "A" DESCRIPTION OF CONTRACT AREA

This Annexure "A" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ROC OIL (MYANMAR) PTE. LTD. and TAP ENERGY (M-7) PTE. LTD. and SMART E&P INTERNATIONAL COMPANY LIMITED.

Dated: , 2014 +

DESCRIPTIONOF CONTRACT AREA

MOATTAMA OFFSHORE BLOCK M-7

BLOCK M-7 COORDINATES

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	15° 24' 00"	96° 15' 00"
B	15° 24' 00"	97° 45' 00"
C	14° 40' 00"	97° 52' 00"
D	14° 40' 00"	96° 15' 00"
A	15° 24' 00"	96° 15' 00"

Area of Block M-7= 5,163 Sq. Miles.

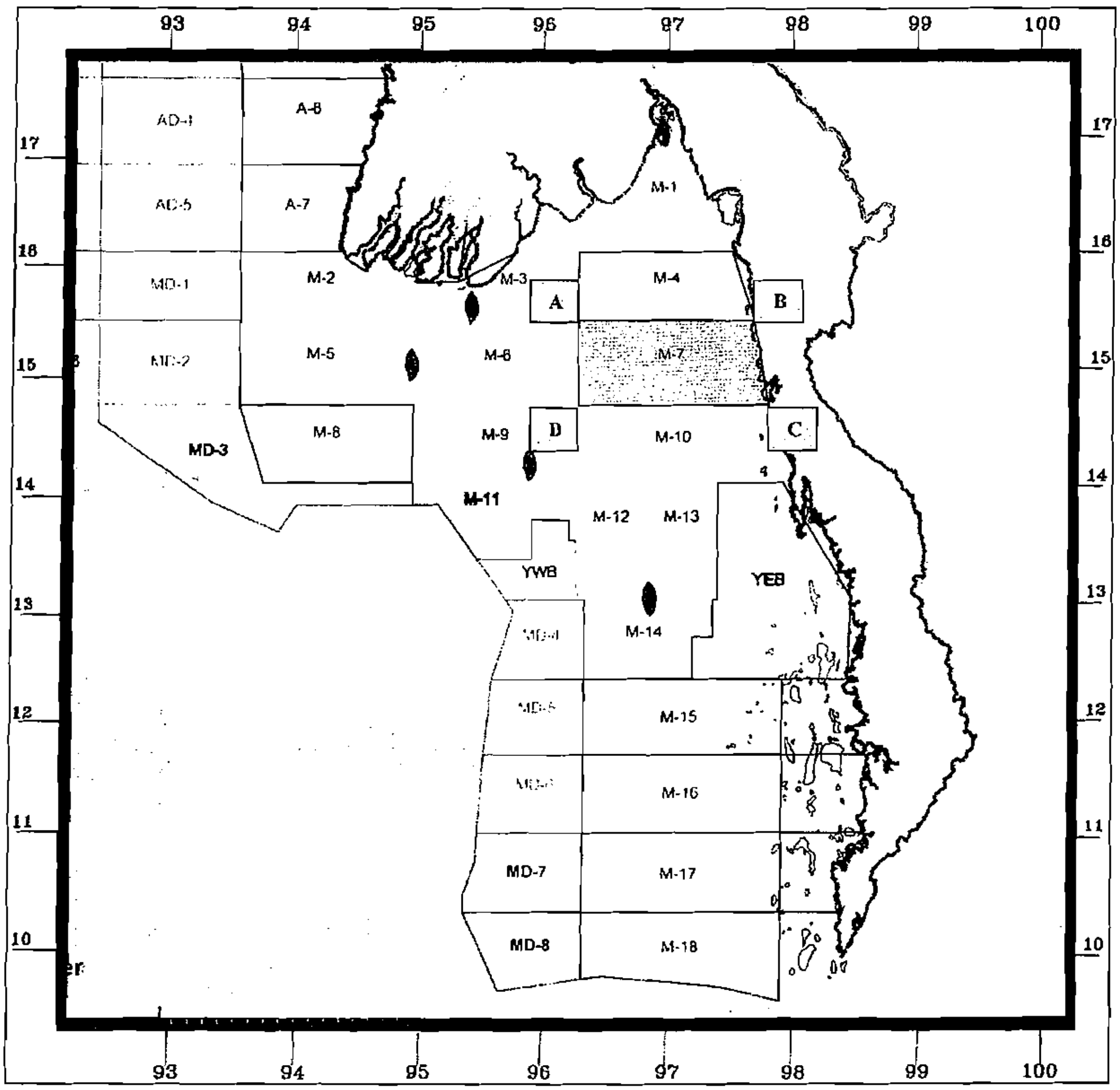
Note: **Block M-7** ***boundary is defined by the coordinate above and defined as three (3) nautical miles from mainland shore and further defined with an exclusion zone of one (1) nautical mile from the shore of recognized islands.***

ANNEXURE "B" MAP OF CONTRACT AREA

This Annexure "B" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ROC OIL (MYANMAR) PTE. LTD. and TAP ENERGY (M-7) PTE. LTD. and SMART E&P INTERNATIONAL COMPANY LIMITED.

Dated: , 2014.

MAP OF CONTRACT AREA



ANNEXURE "C" ACCOUNTING PROCEDURE

This Annexure "C" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ROC OIL (MYANMAR) PTE. LTD. and TAP ENERGY (M-7) PTE. LTD. and SMART E&P INTERNATIONAL COMPANY LIMITED.

Dated: 2014

ACCOUNTING PROCEDURE

ARTICLE 1- GENERAL PROVISIONS

This Accounting Procedure applies to and shall be observed in the establishment, keeping and control of all accounts, books and records of accounts under the Contract.

The Contract and this Accounting Procedure are intended to be correlative and mutually explanatory. Should however any discrepancy arise, then the provisions of the Contract shall prevail.

The Parties agree that if any procedure established herein proves unfair or inequitable to any Party, the Parties shall meet and endeavor to agree on the changes necessary to correct that unfairness or inequity.

For the purpose of the present Accounting Procedure, the term "CONTRACTOR" shall also include CONTRACTOR's Affiliates as may be necessary according to the context.

1.1 Definitions

1.1.1 The terms used in the Accounting Procedure have the same meanings as set out for the same terms in the Contract and otherwise in accordance with the provisions of the Contract.

1.1.2 "Capital Expenditures" means expenditures incurred for the purchase of tangible physical assets which by generally accepted international accounting principles of the international petroleum industry are classified as capital and the costs of which is amortizable. Such assets include but are not limited to:

- drilling and well equipment including wellheads, casing, pipe, flow lines and pumps;
- gathering systems including pipe, field storage, and crude oil separation and treatment plants and equipment;
- pipelines for the transportation of Petroleum to the point of export, sale or delivery;
- storage tanks and loading facilities at the point of export, sale or delivery; and
- any other plant, equipment or fixture in the Republic of the Union of Myanmar reasonably necessary to carry out Petroleum Operations.

1.1.3 "Controllable Material" means Material which the CONTRACTOR subjects to record control and inventory in accordance with good international petroleum industry practice.

1.1.4 "Material" means any equipment, machinery, materials, articles, supplies and consumable either purchased, or leased, or rented or transferred by CONTRACTOR and used in the Petroleum Operations.

1.2 Books and Record

Books and records of accounts will be kept in accordance with a generally accepted and recognized accounting system consistent with modern petroleum industry practices and procedures and in English language and U.S. Dollars, supplemented and supported by such books, records or entries in other currencies as may be necessary for completeness and clarity and to implement the Contract in accordance with its terms.

1.3 Currency Exchange

Any costs incurred or proceeds received, in currency other than U.S. Dollars including the currency of the Republic of the Union of Myanmar shall be converted into U.S. Dollars computed at the prevailing rate of exchange on the day on which the costs were paid or the proceeds were received.

1.4 Independent Auditor

The CONTRACTOR shall in consultation with MOGE, appoint an independent auditor of international standing, to audit annually the accounts and records of Petroleum Operations and report thereon, and the cost of such audit and report shall be promptly delivered to the MOGE and shall be chargeable under the CONTRACT.

ARTICLE 2 - PETROLEUM COSTS

2.1 The parties shall maintain a "Petroleum Costs Account" in which there shall be reflected all Petroleum Costs incurred in connection with the Petroleum Operations carried out under the provisions of the Contract.

Such Petroleum Costs shall be recoverable by the CONTRACTOR in accordance with the provisions of the Contract and as further set out below. Without limiting the generality of the foregoing, the costs and expenditures considered in 2.2 to 2.12 hereafter are included in Petroleum Costs.

Petroleum Costs shall be recoverable in following manner:

a) Operating Costs, including all tangible drilling costs, with the exception of the Capital Expenditure, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which these Operating Costs are incurred or the Financial Year in which commercial production occurs, whichever is the later.

b) Exploration and Appraisal Expenditures, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which commercial production occurs.

c) Capital Expenditures incurred in respect of each Development Area shall be recoverable at a rate of twenty five percent (25%) per annum based on amortization at that rate starting either in the Financial Year in which such Capital expenditures are incurred or the Financial Year in which commercial production from that Development and Production Area commences, whichever is the later.

d) Capital Expenditures, including but not limited to expenditure for aircraft, camps, offices, warehouses, vehicles, workshops, power plants, tools, and equipment, incurred outside of a Development and Production Area, shall be recoverable at a rate of twenty-five (25%) per annum, based on amortization at that rate starting either in the Financial Year in which such Capital Expenditures are incurred or the Financial Year in which commercial production from any Development and Production Area commences, whichever is the later, and shall be recoverable from any Development and Production Area(s).

e) Accrual of estimated abandonment costs shall be recoverable from the Financial Year in which commercial production from each Development and Production Area commences.

2.2 Labor and related costs

2.2.1 CONTRACTOR's locally recruited employees based in the Republic of the Union of Myanmar.

The actual cost of all CONTRACTOR's locally recruited employees who are directly engaged in the conduct of Petroleum Operations in the Republic of the Union of Myanmar. Such costs shall include the costs of employee benefits and Government benefits for employees and taxes and other charges levied on the CONTRACTOR as an employer, transportation and relocation costs within the Republic of the Union of Myanmar and costs of the employee and such employee's family (limited to spouse and dependent children), as statutory or customary for the CONTRACTOR.

2.2.2 Assigned personnel

The cost of the personnel of CONTRACTOR and its Affiliates resident in and working in the Republic of the Union of Myanmar for the Petroleum Operations under this Contract.

The cost of these personnel shall be the CONTRACTOR's actual cost according to CONTRACTOR's practice.

Actual cost includes, but is not limited to, free furnished accommodation in the Republic of the Union of Myanmar, medical and dental treatment

of the employee and immediate family, local schooling expenses and any other local employment cost paid by the CONTRACTOR.

2.2.3 Personnel of the CONTRACTOR and its Affiliates, based outside the Republic of the Union of Myanmar working for the Petroleum Operations on a time sheet basis under this Contract.

Such personnel shall be charged at rates which represent the CONTRACTOR and its Affiliates actual cost under this Contract. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside CONTRACTOR and its Affiliates home country, the hourly rate will be charged from the date such personnel leave the town where they usually work in CONTRACTOR and its Affiliates home country through their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employees from his employment in CONTRACTOR and its Affiliates home country. No charge will be made for overtime.

As early as possible in each Financial Year, the CONTRACTOR shall advise these hourly rates for each subsequent Year. They may be subject to revision from time to time at the CONTRACTOR's initiative.

2.2.4 Other personnel

Personnel working for the Petroleum Operations under this Contract outside the Republic of the Union of Myanmar for the CONTRACTOR and its Affiliates who are not on a time sheet basis shall be deemed compensated as per the administrative overheads set forth in subpart 2.11 below.

2.2.5 Provisions common to Subpart 2.2.2 and 2.2.3

Subpart 2.2.2 and 2.2.3 above have been agreed upon considering the present structure of the CONTRACTOR. Should the CONTRACTOR be charged, or should the CONTRACTOR change their present structure or organization, these subparts shall be revised accordingly.

2.2.6 Employees training expenses

Training expenses for the CONTRACTOR's employees resident in the Republic of the Union of Myanmar and the CONTRACTOR's contribution to training under Section 15 of the Contract.

2.3 Material

2.3.1 The cost of Material shall be charged to the Petroleum Costs Account on the basis set forth below.

The CONTRACTOR does not guarantee the Material. The only guarantees are the guarantees given by the manufactures or the vendors, as long as, they are in force.

2.3.1.1 Except as otherwise provided in Subpart 2.3.1.2 below, Material shall be charged at the actual net cost incurred by the CONTRACTOR. Net cost shall include, but shall not be limited to such items as the vendor's invoice price, packaging, transportation, loading and unloading expenses, insurance costs, duties, fees and applicable taxes less discounts actually received.

2.3.1.2 Material shall be charged at the price specified herein below:

a) New Material (Condition "A") shall be valued at the current international net cost which shall not exceed the price prevailing in normal arm's length transaction on the open market:

b) Used material (Condition "B", "C" and "D" and junk Material)

i) Material which is sound and serviceable condition and is suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy-five (75%) of the current price of new Material defined in a) above;

ii) Material which cannot be classified as Condition "B" but which after reconditioning will be serviceable for its original function shall be classified as Condition "C" and price at fifty percent (50%) of the current price of new Material as defined in a) above. The cost of reconditioning shall be charged to the reconditioned Material provided that the value of the Condition "C" Material plus the cost of reconditioning do not exceed the value of Condition "B" Material;

iii) Material which has a value and which cannot be classified as Condition "B" or Condition "C" shall be classified as Condition "D" and priced at value commensurate with its use.

iv) Material which is usable and which cannot be classified as Condition "B" or Condition "C" or Condition "D" shall be classified as junk and shall be considered as having no value.

2.3.2 Inventories

At reasonable intervals, inventories shall be taken by the CONTRACTOR of all controllable Material. The CONTRACTOR shall give sixty (60) days written notice of intention to take such inventories to allow the MOGE to choose whether to be represented (in which case the MOGE shall elect to accept the inventory taken by the CONTRACTOR).

2.4 Transportation and employee relocation costs

2.4.1 Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air freight, and customs clearance and other destination services.

2.4.2 Transportation of employees as required in the conduct of Petroleum Operations, including employees of the CONTRACTOR's whose salaries and wages are chargeable under subparts 2.2.2 and 2.2.3 of this Accounting Procedure.

2.4.3 Relocation costs for employees permanently of temporarily assigned to Petroleum Operations. Relocation costs from the vicinity of Petroleum Operations, except when an employee is reassigned to another location classified as a foreign location by the CONTRACTOR. Such costs include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the usual practice of the CONTRACTOR.

2.5 Services

2.5.1 The actual costs of contract services, professional consultants and other services performed by third parties.

2.5.2 Costs of use of facilities and equipment for the direct benefit of the Petroleum Operations, furnished by the CONTRACTOR, or third parties, at rates commensurate with the cost of ownership, or rental, and the cost of operation thereof, but such rates shall not exceed those currently prevailing in normal arm's length transactions on the open market for like services and equipment.

2.6 Damages and losses to material and facilities

All costs or expenses necessary for the repair or replacement of Material and facilities resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The CONTRACTOR shall furnish to the MOGE written notice of damages or losses for each occurrence or loss involving more than U.S. Dollars One Hundred Thousand (US$100,000) after the loss occurrence or as soon as practicable.

2.7 Insurance Claims

2.7.1 Premiums paid for insurance to cover the risks related to Petroleum Operations according to the CONTRACTOR's practice.

2.7.2 Actual expenditure incurred in the settlement of all losses, claims, damages, judgments, and other expenses (including legal expenses as set out below) for the benefit of the Petroleum Operations.

2.8 Legal Expenses

All costs or expenses of litigation or legal services otherwise necessary or expedient including but not limited to legal counsel's fees, arbitration costs, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These services may be performed by the CONTRACTOR's legal staff and/or an outside firm as necessary.

2.9 Charges and fees

i) All charges and fees which have been paid by the CONTRACTOR with respect to the Contract.

ii) All financing interests for the Capital Expenditures incurred during the Development Period of which interest rate shall be decided according to market prevailing rate at that time applicable to Myanmar or to be arranged by CONTRACTOR.

2.10 Offices, camps and miscellaneous facilities

Cost of establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities such as recreational facilities for employees. If these facilities serve more than one (1) contract area the costs thereof shall be allocated on an equitable basis.

2.11 General and administrative expenses

2.11.1 The services for all personnel of the CONTRACTOR as per subpart 2.2.4 as well as the contribution of the CONTRACTOR's to the Petroleum Operations of an intangible nature shall be deemed compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2 The basis for applying this overhead charge shall be the total Petroleum Costs incurred during each Financial Year or fraction thereof.

The sliding scale percentage shall be the following: -

For the first U.S. Dollars Five Million:	4%
For the next U.S. Dollars Three Million:	2%
For the next U.S. Dollars Four Million:	1%
Over U.S. Dollars Twelve Million:	0.5%

2.12 Other Expenditures

Any reasonable expenditure not covered or dealt with in the foregoing provisions which are incurred by the CONTRACTOR for the necessary and proper performance of the Petroleum Operations and the carrying out its obligations under the Contract or related thereto.

2.13 Credits under the contract

The net proceeds of the following transactions will be credited to the accounts under the Contract.

a) the net proceeds of any insurance or claim in connection with the Petroleum Operations or any assets charged to the accounts under the Contract.

b) revenue received from outsiders for the use of property or assets charged to the accounts under the Contract which have become surplus to Petroleum Operations and have been released to mitigate losses;

c) any adjustment received by CONTRACTOR from the suppliers/manufacturers or their agents in connections with defective equipment or material the cost of which was previously charged by the CONTRACTOR under the Contract;

d) rentals, refunds or other credits received by the CONTRACTOR which apply to any charge which has been made to the accounts under the Contract;

e) proceeds from all sales of surplus Materials charges to the account under the Contract, at the net amount actually collected.

2.14 No duplication of charges and credits

Notwithstanding any provision to the contrary in this Accounting Procedure, it is the intention that there shall be no duplication of charges or credits in the accounts under the Contract.

<u>ARTICLE 3 - FINANCIAL REPORTS TO THE MOGE</u>

3.1 The reporting obligations provided for in this Part shall apply to the CONTRACTOR and shall be in the manner indicated hereunder.

3.2 The CONTRACTOR shall submit to MOGE within thirty (30) days of the end of each Quarter:

3.2.1 A report of expenditure and receipts under the Contract analyzed by budget item showing:

a) actual expenditure and receipts for the Quarter in question;

b) actual cumulative expenditure to date;

c) latest forecast of cumulative expenditure at Year end; and

d) variances between budget, and actual expenditure and explanations thereto.

3.2.2 A cost recovery statement containing the following information:

a) recoverable Petroleum Costs brought forward from the previous Quarter, if any;

b) recoverable Petroleum Costs incurred during the Quarter;

c) total recoverable Petroleum Costs for the Quarter, i.e a) plus b) above;

d) quantity and value of Cost Petroleum taken and separately disposed of by the CONTRACTOR for the Quarter;

e) amount of Petroleum recovered for the Quarter; and

f) amount of recoverable Petroleum Costs to be carried forward into the next Quarter, if any.

3.3 After the commencement of production the CONTRACTOR shall, within thirty (30) days after the end of each month, submit a production report to the MOGE showing for each Development and Production Area the quantity of Petroleum:

a) held in stocks at the beginning of the month

b) produced during the month

c) lifted, and by whom;

d) lost and consumed in Petroleum Operations, and

e) held in stocks at the end of the month.

3.4 A lifting Party shall submit, within thirty (30) days after the end of month, a report to the MOGE stating the quantities and sales value of each Petroleum sales made in that month.

ANNEXURE "D" PARENT COMPANY GUARANTEE

This Annexure "D" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ROC OIL (MYANMAR) PTE. LTD. and TAP ENERGY (M-7) PTE. LTD. and SMART E&P INTERNATIONAL COMPANY LIMITED ("CONTRACTOR") as stated and referred to in Section 5.4 of this Contract.

LETTER OF PARENT COMPANY GUARANTEE

Date: , 2014.4

We hereby absolutely and unconditionally guarantee to the Myanma Oil and Gas Enterprise, Ministry of Energy, the Government of the Republic of the Union of Myanmar that the CONTRACTOR Party ("..................................") is financially sound and technically competent and shall perform the tasks such as funding necessary capital, assets and supplying machinery, equipment, tools, technicians, specialists and discharge of expenditure obligations undertaken by it through the Moattama Offshore Block M-7 Production Sharing Contract, for the exploration, extraction and development work of the Moattama Offshore Block M-7 and we irrevocably undertake that if the CONTRACTOR fails to perform its minimum expenditures commitments under Section 5.2, we shall, following receipt of a demand from the Myanma Oil and Gas Enterprise, incur such expenditure to ensure that the minimum expenditure commitment are met.

Notwithstanding anything to the contrary contained or implied herein, our liability under this guarantee shall not exceed an amount equal to Ninety (90) percent of the aggregate value of its minimum expenditure commitment expressly provided for under Section 5.2 less Ninety (90) percent of the expenditure already incurred by the CONTRACTOR with respect to its minimum expenditure commitment.

This guarantee shall be effective from the date of signing of the Production Sharing Contract and shall remain in force to the successive limited periods and up to the last exploration period if extended by the consent of the contracting parties in accordance with Section 5.2 (a) to (g) and 5.3 of this Contract.

For and on behalf of

____

ANNEXURE "E" MANAGEMENT PROCEDURE

This Annexure "E" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ROC OIL (MYANMAR) PTE. LTD. and TAP ENERGY (M-7) PTE. LTD. and SMART E&P INTERNATIONAL COMPANY LIMITED.

Dated: , 2014.

MANAGEMENT PROCEDURE

1. MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programme. To obtain the benefits of mutual co-operation and to co-ordinate their efforts under the Contract, a "Management Committee" shall be established consisting of four (4) representatives appointed by MOGE, one whom shall act as Chairman of the Management Committee and three (3) representatives appointed by CONTRACTOR.

2. The initial appointment of representatives to the Management Committee shall be made by MOGE and by CONTRACTOR, by notice given to the other within thirty (30) days from the Commencement of the Operation Date, advising the names of their respective representatives and such appointments may be changed thereafter from time to time by similar notice from the changing Party to the other.

3. All decisions required to be taken by the Management Committee shall be taken by the unanimous vote of the representatives present at the meeting, it being understood that no such decisions shall be valid unless at least one representative of MOGE and one representative of the CONTRACTOR is present at the meeting. Decisions taken by the Management Committee shall be recorded in minutes signed on behalf of both MOGE and CONTRACTOR and shall be binding on the Parties hereto.

4. The Management Committee shall meet whenever required by MOGE or by CONTRACTOR, subject to 15 days prior notice to its members which notice shall include the agenda for the meeting.

5. The Management Committee shall have the following functions and responsibilities under this Contract.

   a) To provide the opportunity for and to encourage the exchange of information, views, ideas and suggestions regarding plans, performances and results obtained under the Contract.

   b) To review and approve Work Programmes and Budgets proposed by CONTRACTOR, taking into consideration any revisions thereto proposed by MOGE and further revision by both Parties.

   c) To co-ordinate on all technical, financial, administrative and policy matters of interest to both Parties.

d) In case of Discovery of Petroleum to review and approve any proposal for the appraisal and development of such discovery.

e) To consider and act upon recommendations made to the Management Committee by its sub-committees.

f) To co-operate towards implementation of the Contract in accordance with its terms.

6. To facilitate the discharge of its functions, the Management Committee shall appoint sub-committees composed of representatives of both MOGE and the CONTRACTOR such as but not limited to:

a) Technical Sub-committee to review and consult upon Work Programme and any variation thereof, to supervise all safety procedures to be used in the conduct of Petroleum Operations, to advise the Parties on the progress of the current Work Programme pertaining to exploration, development and production and to perform any other task that the Parties may describe by common agreement.

b) Procurement Sub-committee to review and recommend the international tender being applied for purchase of equipment and the selection of sub-contractors and supplies of services for Petroleum Operations hereunder.

c) Accounting Sub-committee to review the incomes and expenditures related to Petroleum Operations in accordance with this Contract and any questions arising thereto.

d) Petroleum Valuation Sub-committee to set the value, the International Market Price FOB Myanmar per barrel of Crude Oil for purpose of Cost Recovery and division of net sales proceeds. The valuation shall be based upon inquiries made by MOGE and CONTRACTOR internationally for the specific type of quality of Crude Oil such as API gravity, sulphur content, viscosity, pour point, etc. The valuation of Natural Gas will be determined at Delivery Point to gas buyer.

ANNEXURE "F" MEMORANDUM ON PARTICIPATION

This Annexure "F" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ROC OIL (MYANMAR) PTE. LTD. and TAP ENERGY (M-7) PTE. LTD. and SMART E&P INTERNATIONAL COMPANY LIMITED.

Dated: , 2014.

MEMORANDUM ON PARTICIPATION

The Draft Operating Agreement between CONTRACTOR and MOGE referred to in Section 19.3 shall embody, inter alia, the following main principles:

1. CONTRACTOR shall be the sole Operator of the venture under properly defined rights and obligations.

2. Authorized representatives of both Parties shall meet periodically for the purpose of conducting the venture's operations. All decisions shall be taken by majority vote except in case of terminating the main Contract which decision shall require the unanimous consent of both Parties. However if either of the Parties wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. Both Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

4. The Operator shall prepare the annual Work Programme and Budgets which shall be submitted to the authorized representative of both Parties for decision prior to their submission to MOGE in accordance with the provisions of the main Contract.

5. In respect of any exploratory drilling operation other than exploratory drilling operations required, or which may serve, to fulfill the minimum work obligations, defined in Section 5 of the Contract , a "Sole Risk" provision shall be made which assure either Party that it does not have to participate in such operation if it were to disagree to the inclusion of such operation in the Work Programme and Budget and which in case of success adequately compensates the Sole Risk Party for the cost and risk incurred by the latter.

6. Subject to adequate lifting tolerances each Party shall offtake at CONTRACTOR's point of export its production entitlement. However, if MOGE is not in a position to market such quantity wholly or partly it shall in respect of the quantity which it cannot market itself have the option under an adequate notification procedure; either to require CONTRACTOR to purchase that quantity, or to lift that quantity at a later date under an adequate procedure within the period of time defined in such related procedures.

7. If Natural Gas (associated gas and non-associated gas) is encountered in commercial quantities, special provisions shall be drawn having due regard inter alia, to the long term character of Natural Gas Supply Contracts.

ANNEXURE "G"

This Annexure "G" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ROC OIL (MYANMAR) PTE. LTD. and TAP ENERGY (M-7) PTE. LTD. and SMART E&P INTERNATIONAL COMPANY LIMITED as stated and referred to in Section 5.4 of this Contract.

Dated: 2014+

PERFORMANCE BANK GUARANTEE

[SEAL]

Letter of Guarantee No.

....

....

Dear Sirs,

By order of .... Bank, and for account of .... we hereby issue a guarantee under their counter guarantee No............dated .... for Euro / US$ .... (Euro/US$ .... only) as follows;-

WHEREAS THE **MYANMA OIL AND GAS ENTERPRISE**, NAY PYI TAW, MYANMAR (HEREINAFTER CALLED THE MOGE) HAS ENTERED INTO A PRODUCTION SHARING CONTRACT WITH BERLANGA MYANMAR PTE LTD. (HEREINAFTER CALLED THE CONTRACTOR) ON .... FOR THE PETROLEUM OPERATIONS OF....... IN 3/BLOCK NO. M-8 DATED .... (HEREINAFTER CALLED THE PSC) AND IN THE EVENT, THE CONTRACTOR BECOMES LIABLE TO MOGE ANY SUM OR SUMS OF MONEY DUE TO THE FAILURE OF THE CONTRACTOR TO EXECUTE AND PERFORM. ITS MINIMUM EXPENDITURE COMMITMENT FOR IN THE PSC, 1/ WE HEREBY IRREVOCABLY AND UNCONDITIONALLY GUARANTEE TO PAY MOGE WITHIN (10) WORKING DAYS THE AMOUNT EQUAL TO TEN (10) PERCENT OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC CLAIMED BY MOGE, 2/ **ON YOUR FIRST WRITTEN DEMAND ACCOMPANIED BY YOUR WRITTEN DECLARATION** THAT THE CONTRACTOR HAS 3/ **FAILED TO EXECUTE AND PERFORM ANY OF THE OBLIGATIONS** UNDER THE TERMS AND CONDITIONS OF THE AFORESAID CONTRACT.

1/ The Obligation of Guarantee

2/ Condition of Beneficiary's Demand

3/ Guarantee Amount, Contract No., Expiry, Condition of Beneficiary's Demand if failed to comply with contract terms

OUR LIABILITY HEREUNDER IS NOT TO EXECEED IN THE AGGREGATE THE SUM OF 3/ EURO/US$ ..../- (.. ONLY) BEING THE TEN PERCENT (10 PERCENT) OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC. A DEMAND FOR REFUND AMOUNT SHALL BE MADE IN WRITING AND SUBSTANTIATED WITH RESPECTIVE DOCUMENTS.

THIS PERFORMANCE BANK GUARANTEE ISSUE IN THE FORM OF BANK GUARANTEE BY US. ON THE ACCOUNT OF THE CONTRACTOR, SHALL BE EXPIRED THREE (3) YEARS FROM THE DATE OF ISSUE OF THIS 3/PERFORMANCE GUARANTEE.

ALL CLAIMS UNDER THIS GUARANTEE MUST BE RECEIVED BY US IN MYANMAR ON OR BEFORE THE EXPIRY DATE, AFTER WHICH THIS GUARANTEE SHALL BE VOID AND NO CLAIM FOR PAYMENT SHALL BE PERMITTED OR ENTERED BY US NOTWITHSTANDING THAT THIS GUARANTEE MAY NOT HAVE BEEN RETURNED TO US FOR CANCELLATION.

THIS GUARANTEE IS NOT TRANSFERABLE OR ASSIGNABLE.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. BY ACCEPTANCE HEREOF, YOU IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE SINGAPORE COURTS.

Our liability under this Guarantee is limited to the sum of EURO/US$ .... /- (EURO/$ ....only) and any claim hereunder must be submitted in writing to this office, during normal banking hours, within the validity of this guarantee.

This guarantee must be returned to us for cancellation as soon as it expires.

Yours faithfully,

COUNTERSIGNED　　　　FOR MYANMA FOREIGN TRADE BANK

MANAGER FINANCING & GUARANTEE DEPT	ASSISTANT MANAGER GUARANTEE DEPT

နောက်ဆက်တွဲ(င)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၂)/ ၇ / သမ္မတရုံး
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၂၁ ရက်

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ကိစ္စ**

ရည် ညွှန်း ချက်။ ယင်း၏ ၈-၇-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၁၂ /၃၂၂ / ထ(၅၇၇ / ၂၀၁၄)

ကမ်းလွန်လုပ်ကွက် ၂၀ တွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ပထမအကြိမ် ကမ်းလွန်လုပ်ကွက်များအတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုထားသော Selected Candidates ကုမ္ပဏီများအား ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းနှင့်စပ်လျဉ်း၍ ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်ရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

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နောက်ဆက်တွဲ(စ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
ပြည်ထောင်စုရှေ့နေချုပ်ရုံး
နေပြည်တော်

စာအမှတ်၊ ၂ (၅) ၈ - ၂၂၅ /နပတ(၁၀၀၆)
ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၁၇ ရက်

အကြောင်းအရာ။ **မုတ္တမကမ်းလွန်ဒေသလုပ်ကွက် M-7 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေတူးဖော်ထုတ်လုပ်ခြင်းလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Praducting Sharing Contract (မူကြမ်း)များအပေါ် သဘောထားမှတ်ချက်ပေးပါရန်ကိစ္စ**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၈-၁၀-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/ ၉၀၇ /ထ (၈၉၃ /၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ကမ်းလွန်လုပ်ကွက်များအတွက် ROC Oil (Myanmar) Pte.Ltd ၊ TAP Energy (M-7) Pte. Ltd နှင့် Smart EXP International Company Limited တို့သည် မုတ္တမကမ်းလွန်ဒေသလုပ်ကွက် M7 တွင်ရေနံနှင့်သဘာဝဓါတ်ငွေ့ရှာဖွေတူးဖော်ထုပ်လုပ်ခြင်းဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းတို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (PSC) (မူကြမ်း)အပေါ် သဘောထားမှတ်ချက်ပေးပါရန်ရည်ညွှန်းချက်ပါစာဖြင့်မေတ္တာရပ်ခံလာသောကိစ္စဖြစ်ပါသည်။

Acer/D/UTNNT/ROC Oil (Myanmar) Pte. Ltd (17-11-2014)

၂။ ရည်ညွှန်းချက်ပါစာဖြင့်ပေးပို့လာသော စာချုပ်(မူကြမ်း)တွင် ဥပဒေရှုထောင့်မှ လေ့လာစိစစ်ပြီး အောက်ပါအတိုင်း သုံးသပ်အကြံပြုအပ်ပါသည် -

(က) စာချုပ်(မူကြမ်း)ပါ စာပိုဒ်များ၌ ရည်ညွှန်းထားသော Section များ မှန်ကန်မှုရှိစေရန် ဌာနမှ ပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ခ) စာချုပ်ဝင်များအပိုဒ်အောက်တွင်ဖော်ပြထားသောစာချုပ်ဝင်များသည် တစ်ဦးချင်းသော်လည်းကောင်း၊ ပူးတွဲ၍သော်လည်းကောင်းတာဝန်ရှိကြောင်း အပိုဒ်ကို Section 17.2 ပါ Contractor ၏ Obligation တွင် စည်းကမ်းချက်တစ်ရပ်အဖြစ် ထည့်သွင်းသင့်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း) Section 1 Definitions အပိုဒ် 1.21 Development and Production Operations နှင့် 1.28 Exploration Operations တို့၏ အဓိပ္ပါယ်ဖွင့်ဆိုချက်၌ "within or outside the contract Area" ဟုလည်းကောင်း၊ အပိုဒ် 8 Development and Production ၊ အပိုဒ်ခွဲ 8.3 (b) ၌ Development Plan ထဲတွင် Contract Area အတွင်းသာမက Contract Area ပြင်ပ (----within and outside of the Contract Area) ပါ ပါဝင်ကြောင်းဖော်ပြထားသည်ကို တွေ့ရှိရပါသည်။ Development Plan သည် Annexure A နှင့် B တွင် ဖော်ပြထားသော Contract Area အတွင်း၌သာ ဆောင်ရွက်ရမည်ဖြစ်ပါသောကြောင့် "outside of the Contract Area" ဟူသော စာသားကို ပယ်ဖျက်သင့်သည်ဟုယူဆပါသည်၊

(ဃ) စာချုပ်(မူကြမ်း) အပိုဒ် 2.6 နှင့် 11.1 တို့တွင် Contractor သည် လုပ်ငန်းစတင်သည့်နေ့မှ နောက်ရက်ပေါင်း ၃၀ အတွင်း Data Fee ပေးရမည်ဖြစ်

ကြောင်း ဖော်ပြထားပါသည်။ လုပ်ငန်းမစနိုင်လျှင် Data Fee မရနိုင်သည်ကို ဌာနအနေဖြင့် သတိပြုသင့်ပါသည်၊

(င) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 3.4 တွင် Study Period ပြီးဆုံးသည့်အချိန်တွင် Exploration Operations ကိုဆက်လက်ဆောင်ရွက်ခြင်းမပြုရန် Contractor က ဆုံးဖြတ်ပါက ဌာနသို့ Study Period မပြီးမီ(၁၅)ရက် ကြိုတင်အကြောင်းကြား စာရေးသားပေးပို့ပြီး Contractor ဘက်မှစာချုပ်အားရပ်စဲနိုင်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(စ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 6.6 တွင် Work Programme ပါ အချက်အလက်များကို Contractor ဘက်က ပြောင်းလဲပြင်ဆင်မှုများပြုလုပ်နိုင်ကြောင်းဖော်ပြထားရာ "ဌာန၏အတည်ပြုချက်ဖြင့်သာ ဆောင်ရွက်နိုင်ကြောင်း" (with written approval of MOGE) ဟူသော စာသားအား ထည့်သွင်း ဖော်ပြရန် သင့် မသင့် ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(ဆ) စာချုပ်(မူကြမ်း) အပိုဒ် 11.2 Singature Bonus တွင် Section 3.4 အရ Contractor သည် စာချုပ်ရပ်စဲရန်အခွင့်အရေးကို ကျင့်သုံးခဲ့ခြင်းမရှိပါက Contractor သည် ကနဦးတူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်နေသည့်နေ့မှ ရက်ပေါင်း (၃၀) အတွင်း Signature Bonus ပေးရမည်ဖြစ်ကြောင်း ဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး ၁၂ လအတွင်း ဆောင်ရွက်ရန်ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကို စတင် သဖြင့် လုပ်ငန်းစတင်သည့်နေ့မှ ၁၂ လ ကြာသည်အထိ Signature Bonus မရနိုင်သည့် သဘောဖြစ်နေသည်ဟု ယူဆ၍ ဌာနမှ စိစစ်သတိပြုသင့်ပါသည်၊

(ဓ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 12.7 တွင် ထုတ်လုပ်ရရှိသည့် သဘာဝဓာတ်ငွေ့များကို Contractor ဘက်က အသိအမှတ်ပြုသည့် ဈေးနှုန်း ဖြင့်သာ ရောင်းချရန် ဖော်ပြထားချက်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(ဈ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 14.2 တွင် Crude Oil ရောင်းချငွေများကို (၄၅)ရက်အတွင်း Contractor သို့ပေးချေရန်၊ အကယ်၍ (၄၅)ရက်ကျော်လွန်ပါက ဒဏ်ကြေးငွေအဖြစ် LIBOR Plus 3% ကို ဌာနက Contractor သို့ ထပ်ဆောင်းပေးရမည်ဖြစ်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှ သတိပြုသင့်ပါသည်၊

(ည) စာချုပ်(မူကြမ်း) Section 16 Title of Assets အပိုဒ် 16.2 ၏ ဒုတိယဝါကျ၌ Contractor သည် Copies of all data, information -------------- cutting and petroleum samples စသည်တို့ကို မြန်မာနိုင်ငံတွင်းသို့မဟုတ် ပြင်ပ (within or outside Myanmar) ၌ လွတ်လပ်စွာ သုံးစွဲနိုင်သည်ဟူသော ဖော်ပြချက်နှင့်စပ်လျဉ်း၍ ဌာနအနေဖြင့် လက်ခံနိုင်ခြင်းရှိ မရှိ စိစစ်သင့်ပါသည်၊

(ဋ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 17.1 တွင် MOGE မှ ဆောင်ရွက်ရန် စည်းကမ်းချက်များကိုဖော်ပြထားရာ ဌာနမှလက်ခံဆောင်ရွက်နိုင်ခြင်းရှိ မရှိ ကြိုတင်စိစစ်ထားသင့်ပါသည်၊

(ဌ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 17.2 (s) နှင့် (t) တို့တွင် MOGE မှ ဆောင်ရွက်ပေးရန်ဖော်ပြထားသည့်စည်းကမ်းချက်များပါရှိကြောင်းတွေ့ရှိရသဖြင့်အဆိုပါ MOGE မှ ဆောင်ရွက်ရမည့်စည်းကမ်းချက်များကို အပိုဒ်ခွဲ

17.1 ရှိ MOGE ၏ အခွင့်အရေးနှင့် တာဝန်များခေါင်းစဉ်အောက်တွင်သာ ဖော်ပြ သင့်ပါသည်၊

(ဍ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 17.2 (w) တွင် Contractor သည် Petroleum Operations ကြောင့် အထူး သို့မဟုတ် သွယ်ဝိုက်၍ပေါ်ပေါက်လာမည့်ထိခိုက် ဆုံးရှုံးမှုများနှင့်စပ်လျဉ်း၍ MOGE သို့မဟုတ် Government သို့ တာဝန်မရှိကြောင်း ဖော်ပြထားချက်အား ဌာနမှသတိပြုသင့်ပါသည်၊

(ဎ) စာချုပ်(မူကြမ်း) Force Majeure နှင့် သက်ဆိုင်သော အပိုဒ်ခွဲ 20.2 တွင် "acts of public authorities" ဟု ဖော်ပြထားရာ "acts" ဟု သုံးနှုန်းခြင်း မှာကျယ်ပြန့်သည်ဟုယူဆပါသည်။ မည်သည့်ပြုလုပ်ဆောင်ရွက် မှုကို ဆိုလိုကြောင်း ရှင်းလင်းစွာဖော်ပြသင့်ပါသည်၊

(ဏ) စာချုပ်(မူကြမ်း) အပိုဒ် 22.5 တွင် စာချုပ်ဝင်အသီးသီးအနေဖြင့် အမိန့်၊ စီရင်ချက်၊ ဆုံးဖြတ်ချက် သို့မဟုတ် အခြားကုစားခွင့်တစ်ရပ်ရပ်ကိုအကောင် အထည်ဖော်ခြင်းနှင့်စပ်လျဉ်းသောတောင်းဆိုမှုတစ်ခုခုအား စွန့်လွှတ်ကြောင်း ထပ်မံဖြည့်စွက်ထားသည်ကို တွေ့ရှိရပါသည်။ ယင်းစည်းကမ်းချက်နှင့် စပ်လျဉ်း၍ စာချုပ်ဝင်များ၏ တရားစွဲဆိုနိုင်ခွင့်နှင့် တရားစွဲဆိုခံပိုင်ခွင့်တို့ကို ထပ်မံဖော်ပြထားခြင်းဖြစ်သောကြောင့်ဥပဒေကြောင်းအရကန့်ကွက်ရန်မရှိပါ။ ဌာန၏ စီမံခန့်ခွဲရေးဘောင်အတွင်းမှ ဆုံးဖြတ်ရန်ဖြစ်ပါသည်၊

(တ) စာချုပ်(မူကြမ်း) အပိုဒ် 23 Banking နှင့်စပ်လျဉ်း၍ ဘဏ္ဍာရေးဝန်ကြီးဌာန နှင့် ညှိနှိုင်းဆောင်ရွက်သင့်ပါသည်၊

(ထ) စာချုပ်(မူကြမ်း) Section 26 နှင့် Annexure C ပါ Accounting Procedure တို့နှင့်စပ်လျဉ်း၍ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘောထားမှတ်ချက်ကို ရယူသင့်ပါသည်၊

(ဒ) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်က ၁၄-၈-၂၀၁၄ ရက်စွဲဖြင့် ထုတ်ပြန်ကြေငြာခဲ့သော အမိန့်ကြော်ငြာစာအမှတ် ၅၀/ ၂၀၁၄ "ပတ်ဝန်းကျင်ထိခိုက်မှုဆန်းစစ်ချက်ရယူရန် လိုအပ်သည့်စီးပွားရေးလုပ်ငန်းအမျိုးအစားသတ်မှတ်ခြင်း" ၌အမှတ်စဉ် ၂ တွင် "ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေတူးဖော်အကောင်အထည်ဖော်ခြင်းလုပ်ငန်း" အားဖော်ပြထားသည်ကို သိရှိနိုင်ရန် ဖော်ပြအပ်ပါသည်။

၃။ ဤစာချုပ်(မူကြမ်း)များကို ပြည်ထောင်စုရှေ့နေချုပ်ဥပဒေနှင့်အညီ ဥပဒေကြောင်းအရသာ ဥပဒေအကြံဉာဏ်ပေးခြင်းဖြစ်ပါသည်။ ဥပဒေရေးရာမဟုတ်သည့် စီမံရေးရာ၊ ဘဏ္ဍာရေးရာ၊ ကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များကို ဤရုံးအနေဖြင့် မှတ်ချက်ပေးရန်မရှိပါကြောင်းနှင့် ယင်းကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ သက်ဆိုင်ရာကျွမ်းကျင်သူများနှင့် ဆွေးနွေးညှိနှိုင်းဆောင်ရွက်ရန် အကြံပြု ပါသည်။

၄။ ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ ထုတ်လုပ်၊ ဝယ်ယူရောင်းချခြင်းလုပ်ငန်းနှင့် သဘာဝဓာတ်ငွေ့ထွက်ပစ္စည်းများ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်းသည် နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်းများဥပဒေပုဒ်မ ၃ အရ နိုင်ငံတော်အစိုးရကသာ နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်း အဖြစ်ဆောင်ရွက်နိုင်ခွင့်ရှိသဖြင့် ယခုစာချုပ်(မူကြမ်း)ပါ လုပ်ငန်းများကို ဆောင်ရွက်နိုင်ရန် ဖော်ပြပါ ဥပဒေပုဒ်မ ၄ အရ အစိုးရအဖွဲ့၏ အမိန့်ကြော်ငြာစာဖြင့် ခွင့်ပြုချက်ရယူရန် လိုအပ်မည်ဖြစ်ပါသည်။

၅။ ROC Oil (Myanmar) Pte.Ltd ၊ TAP Energy (M-7) Pte. Ltd နှင့် Smart EXP International Company Limited တို့သည် သက်ဆိုင်ရာနိုင်ငံများ၏ ဥပဒေအရ တရားဝင်ဖွဲ့စည်းထားသော ကုမ္ပဏီများ ဟုတ် မဟုတ်၊ စာချုပ်ပါလုပ်ငန်းကို လုပ်ကိုင်နိုင်ခွင့်နှင့် လုပ်ကိုင်နိုင်စွမ်းရှိ မရှိ၊ ငွေကြေးအင်အားပြည့်စုံမှုရှိ မရှိ၊ စာချုပ်တွင် လက်မှတ်ရေးထိုးမည့်သူများသည် တရားဝင်လွှဲအပ်ခြင်းခံရသူများဟုတ် မဟုတ် စသည်တို့အတွက် သက်ဆိုင်ရာစာရွက်စာတမ်းများတောင်းယူစိစစ်သင့်ပါသည်။

၆။ ဤ စာချုပ်(မူကြမ်း)များကို လက်မှတ်ရေးထိုးပြီးပါက မှတ်တမ်းတင်ထားနိုင်ရန်အတွက် ဤရုံးသို့ မိတ္တူ (၃) စောင်ပေးပို့ပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

၇။ ဤ အကြံပြုချက်ကို လျှို့ဝှက်အဆင့် သတ်မှတ်ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

၂၅-၁၁-၂၀၁၄

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)
(ဒေါက်တာသီသီမြင့် ၊ ညွှန်ကြားရေးမှူး)

စွမ်းအင်ဝန်ကြီးဌာန

မိတ္တူ - ရုံးလက်ခံ / မျှောစာတွဲ

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး

စာအမှတ်၊ စဆ - ၈ / ၁၆၁ (၃၃၄ / ၂၀၁၄)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ(၁၂)ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **မုတ္တမကမ်းလွန်ဒေသလုပ်ကွက် M-7 တွင် ချုပ်ဆိုမည့်စာချုပ်မူကြမ်းနှင့် စပ်လျဉ်း၍ သဘောထားမှတ်ချက်တောင်းခံခြင်းကိစ္စ**

ရည်ညွှန်းချက် ။ လိပ်မူပါရုံး၏ ၃၀-၁၀-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈ /၉၀၇ /ထ (၉၁၉ /၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ မုတ္တမကမ်းလွန်ဒေသလုပ်ကွက် M-7 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် စင်္ကာပူသမ္မတနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် ROC Oil (Myanmar) Pte.,Ltd၊ TAP Energy (M-7) Pte.,Ltd နှင့် ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်တွင် မှတ်ပုံတင်ထားသည့် Smart E&P International Company Limited တို့အကြားချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ်မူကြမ်းအပေါ် သဘောထားမှတ်ချက်ပြန်ကြားပေးရန် ရည်ညွှန်းချက်ပါစာဖြင့် ညှိနှိုင်းမေတ္တာရပ်ခံလာပါသည်။

၂။ သို့ဖြစ်ပါ၍ Section - 26 ပါ Books and Accounts and Audits နှင့် Annexure "C" ပါ Accounting Procedure များနှင့်စပ်လျဉ်း၍ ဤရုံးမှသဘောထားမှတ်ချက်ဖော်ပြရန် မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုစာရင်းစစ်ချုပ် (ကိုယ်စား)

(မျိုးမြင့်၊ ဒုတိယစာရင်းစစ်ချုပ်)

မိတ္တူ

နိုင်ငံတော်သမ္မတရုံး
သမ္မတဦးစီးရုံး
ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး
ရုံးလက်ခံ
မျှော

လျှို့ဝှက်

၂၁

နောက်ဆက်တွဲ(ဓ)

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်အစိုးရ
ဘဏ္ဍာရေး ဝန်ကြီးဌာန
ဝန်ကြီးရုံး

စာအမှတ်၊ ဘခ - ၁ / ၂၇၄(၆၉၇၁ / ၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ ၁၅ ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **သဘောထားမှတ်ချက်ပြန်ကြားခြင်းကိစ္စ။**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၈-၁၀-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ဝ၀၈ / ၉၀၇/ ထ (၈၉၆/ ၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၏ ကမ်းလွန်လုပ်ကွက်များအတွက် Myanmar Offshore Blocks First Bidding Round-2013 ကိုခေါ်ယူခဲ့ရာ ယခုအခါ တင်ဒါအောင်မြင်သည့် ကုမ္ပဏီများအနက်မှ မုတ္တမကမ်းလွန်ဒေသလုပ်ကွက် M – 7 တွင် ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်းဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် ROC Oil (Myanmar)Pte.,Ltd ၊ TAP Energy (M-7)Pte.,Ltd နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Smart E&P International Company Limited တို့အကြား လက်မှတ်ရေးထိုးမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)နှင့် ပတ်သက်၍ ဤဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်မှာ အောက်ပါအတိုင်းဖြစ်ပါသည်-

(က) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ ခွင့်ပြုချက်ရယူရန် လိုအပ်ပြီး နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေနှင့် နည်းဥပဒေ၊ မြန်မာနိုင်ငံသားများ ရင်းနှီးမြှုပ်နှံမှုဥပဒေများနှင့်အညီ ဆောင်ရွက်သင့်ပါသည်။

(ခ) စာချုပ်မူကြမ်းအပိုဒ်(၅.၄.၁)တွင် ဖော်ပြထားသော Performance Bank Guarantee ထုတ်ပေးရမည့်ဘဏ်ကို "corresponding bank of Myanma Foreign Trade Bank" ဟု သတ်မှတ်ဖော်ပြချက်အား "any State Owned Banks in Myanmar" ဟု အစားထိုးသတ်မှတ်၍ စာချုပ်ချုပ်ဆိုနိုင်ရေး မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်းမှ လက်ခံဆောင်ရွက်နိုင်ပါက တည်ဆဲဥပဒေ ညွှန်ကြားချက်အရ နိုင်ငံပိုင်ဘဏ်များမှလည်း ဘဏ်အာမခံထုတ်ပေးနိုင်ပါသည်။

လျှို့ဝှက်

(ဂ) စာချုပ်မူကြမ်းအပိုဒ်(၂၃.၇)အရ ငွေပေးချေမှုများကို အမေရိကန်ဒေါ်လာဖြင့် ပေးချေရမည်ဟု ဖော်ပြထားရာ အမေရိကန်ဒေါ်လာဖြင့် ပေးချေပါက ငွေပေးချေမှုအဆင်ပြေစေရန် မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၏ မည်သည့် USD A/C သို့ ပေးချေရမည်ကို ငွေလက်ခံမည့်ဘဏ်နှင့် ငွေစာရင်းအမှတ်များ ကြိုတင်ညှိနှိုင်းထားသင့်ပါသည်။

(ဃ) စီမံကိန်းနှင့်ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာနမှ ရရှိသည့် ဝင်ငွေများအား သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်၏ ရသုံးခန့်မှန်းခြေငွေစာရင်းတွင် ထည့်သွင်းလျာထား ရမည်ဖြစ်ပါသည်။

(င) စီမံကိန်းနှင့်ပတ်သက်၍ MOGE မှ ကျခံရမည့် အသုံးစရိတ်များရှိပါက သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်တွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပြီး အဆိုပါလျာထားချက်ကို ပြည်ထောင်စုလွှတ်တော်၏ အတည်ပြုချက်ရရှိမှသာ ကျခံသုံးစွဲနိုင်မည်ဖြစ်ပါသည်။

(စ) အခွန်ဆိုင်ရာကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ တည်ဆဲအခွန်ဆိုင်ရာဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းနှင့် အမိန့်ကြော်ငြာစာများပါ ပြဋ္ဌာန်းချက်များနှင့်အညီ လိုက်နာဆောင်ရွက်သွားရန်လိုအပ်ပါသည်။

(ဆ) Section (17) Rights and Obligation of MOGE and Contractor ခေါင်းစဉ်အောက်ရှိ အပိုဒ်ခွဲ 17.1(b) (i)တွင် မြန်မာ့နိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့် စက်ပစ္စည်းကိရိယာတန်ဆာပလာများအတွက် ပေးဆောင်ရမည့် အခွန်အခများကို Contractorမှ ပေးဆောင်ရန်ဖြစ်ပြီး MOGE မှ ကူညီဆောင်ရွက်ပေးရန်နှင့် အပိုဒ်ခွဲ 17.2 (d) တွင် မြန်မာနိုင်ငံအတွင်းကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် ကျသင့်သည့်အခွန်အခများအား Contractor မှ ပေးဆောင်ရန်ဟု ဖော်ပြထားရာ မြန်မာ့နိုင်ငံအတွင်း တင်သွင်းလာသော စက်ပစ္စည်းကိရိယာ တန်ဆာပလာများနှင့် ကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် Contractorမှ ကျသင့်သည့် အခွန်အခများအား ပေးဆောင်ရာတွင် အကောက်ခွန်ဦးစီးဌာနမှ ပြဋ္ဌာန်းထားသည့် လုပ်ထုံးလုပ်နည်းများနှင့်အညီ ဆောင်ရွက်ရန်ဖြစ်ပါသည်။

(ဇ) အပိုဒ်ခွဲ 17.1(b)(iii) တွင် Contractor များမှ Personal Use အဖြစ် တင်သွင်းလာသည့် ဆေးလိပ်၊အရက်နှင့် အခြားပစ္စည်းများအပေါ်တွင် သွင်းကုန်ခွန် ပို့ကုန်ခွန်၊ အကောက်ခွန်နှင့် အခြားအခွန်အခများအား ပေးဆောင်ခြင်းမပြုရန်အတွက် MOGE မှ ကူညီဆောင်ရွက်ပေးရန်ဟု ဖော်ပြထားရာ Personal Use အဖြစ် တင်သွင်းလာသည့် ပစ္စည်းများနှင့် ပတ်သက်၍ အကောက်ခွန်ဦးစီးဌာန၏ ၁၀-၈-၂၀၁၂ ရက်စွဲပါ

အမိန့်ကြော်ငြာစာအမှတ် ၊ ၅၇ -က-၂၀၀၇ ဖြင့် ထုတ်ပြန်ထားသည့် ခရီးသည် ကိုယ်သုံးဝန်စည်များကိုသာ အခွန်ကင်းလွတ်ခွင့် ရရှိမည်ဖြစ်ပါသည်။

(ဈ) အပိုဒ် 17.2 (g) နှင့် (h)တို့တွင် လုပ်ငန်းအတွက် လိုအပ်၍ တင်သွင်းလာသည့် ပစ္စည်းများနှင့် ငှားရမ်းအသုံးပြုသည့်ပစ္စည်းများ မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့်အခါ Drawbacks စနစ်ဖြင့် တင်သွင်းရန်ဟု ဖော်ပြထားရာ Drawbacks စနစ်ဖြင့် တင်သွင်းလာမည့် ပစ္စည်းများနှင့် ပတ်သက်၍ ပင်လယ်အကောက်ခွန် အက်ဥပဒေပုဒ်မ ၄၂ နှင့် အကောက်ခွန်ဦးစီးဌာန၏ အမြဲတမ်းအမိန့် (၂/ ၂၀၁၃)တို့အား လိုက်နာကျင့်သုံးဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

၂။ လိုအပ်သလို ဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး(ကိုယ်စား)
(ဒေါက်တာလင်းအောင်၊ဒုတိယဝန်ကြီး)

မိတ္တူကို-
မြန်မာနိုင်ငံခြားကုန်သွယ်မှုဘဏ်
ငွေတိုက်ဦးစီးဌာန
ပြည်တွင်းအခွန်များဦးစီးဌာန
အကောက်ခွန်ဦးစီးဌာန

နောက်ဆက်တွဲ(ဈ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
အမျိုးသားစီမံကိန်း နှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန
ပြည်ထောင်စုဝန်ကြီးရုံး

စွမ်းအင်စီမံရေးဦးစီးဌာန
စာအမှတ် ၂၉
ရက်စွဲ ၁၀-၁၁-၁၄
Energy Planning Department

စာအမှတ်၊ အမစ- ၁/ ၃/ ၉ (၆၃၃၅/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ခုနှစ် နိုဝင်ဘာလ ၁၈ ရက်

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ ROC Oil (Myanmar) Pte.Ltd၊ TAP Energy (M-7) Pte. Ltd နှင့် Smart E&P International Company Limited တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း)အပေါ် သဘောထားပြန်ကြားခြင်း**

ရည် ညွှန်း ချက်။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၈-၁၀-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/ ၉၀၇/ ထ (၈၉၅/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ ROC Oil (Myanmar) Pte. Ltd၊ TAP Energy (M-7) Pte. Ltd နှင့် Smart E&P International Company Limited တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း)အပေါ် အောက်ပါသဘောထား ပေးပို့အပ်ပါသည်-

(က) စာချုပ်(မူကြမ်း)အရ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ROC Oil (Myanmar) Pte. Ltd၊ TAP Energy (M-7) Pte. Ltd နှင့် Smart E&P International Company Limited တို့အကြား မုတ္တမ ကမ်းလွန်ဒေသလုပ်ကွက် M-7 တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်းဆောင်ရွက်ရန်အတွက် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် ချုပ်ဆိုမည်ဖြစ်ကြောင်း တွေ့ရှိရပါသည်။

(ခ) စာချုပ် (မူကြမ်း)ပါ သတ်မှတ်ချက်များသည် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ကန်ထရိုက်တာ နိုင်ငံခြားကုမ္ပဏီတို့အကြား ကမ်းလွန်လုပ်ကွက်များအတွက် လက်မှတ်ရေးထိုး ချုပ်ဆိုခဲ့သည့် Production Sharing Contract ပါ သတ်မှတ်ချက်များကို အခြေခံ၍ ပြုစုထားခြင်းဖြစ်ကြောင်း ဖော်ပြထားပါသည်။

(ဂ) စာချုပ် (မူကြမ်း)ပါ စာချုပ်ဝင်ကန်ထရိုက်တာ ကုမ္ပဏီများသည် တရားဝင်ဖွဲ့စည်းတည်ထောင်ထားသော ကုမ္ပဏီ ဟုတ်-မဟုတ်၊ ငွေရေးကြေးရေး အထောက်အထားခိုင်မာမှု ရှိ-မရှိနှင့် တရားဝင်လက်မှတ်ရေးထိုးပိုင်ခွင့်ရှိသူ ဟုတ်-မဟုတ် ကုမ္ပဏီဆိုင်ရာ အထောက်အထားများနှင့် တိုက်ဆိုင်စိစစ်ရန် လိုအပ်မည်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဃ) စာချုပ် (မူကြမ်း)ပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော်ဆောင်ရွက်ရာတွင် တည်ဆဲပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဥပဒေ (၂၀၁၂) နှင့် မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု

ကော်မရှင်၏ အမိန့်ကြော်ငြာစာအမှတ် (၁/၂၀၁၃)နှင့်အညီ ဆောင်ရွက်ရန်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(င) စာချုပ် (မူကြမ်း)ပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော်ဆောင်ရွက်ရာတွင် ပြည်ထောင်စုလွှတ်တော်ဆိုင်ရာဥပဒေကို ပြင်ဆင်သည့်ဥပဒေ(၂၀၁၄ ခုနှစ်၊ ပြည်ထောင်စု လွှတ်တော်ဥပဒေအမှတ် ၂)နှင့်အညီ ဆောင်ရွက်ရန်ဖြစ်ပါသည်။

(စ) ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံသည် Extractive Industries Transparency Inititative (EITI)၏ အဖွဲ့ဝင်လောင်းနိုင်ငံဖြစ်ပါသဖြင့် ဤစာချုပ်ပါလုပ်ငန်းများကို ၂၀၁၃ ခုနှစ် EITI Standard နှင့်အညီ ဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဆ) စာချုပ် (မူကြမ်း)ပါ မိမိဘက်မှ တာဝန်ယူဆောင်ရွက်ပေးရမည့် ကိစ္စများနှင့် လုပ်ငန်း ကျွမ်းကျင်မှုဆိုင်ရာ သတ်မှတ်ချက်များနှင့် စပ်လျဉ်း၍ နိုင်ငံတော်၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းစည်းကမ်းများ၊ လုပ်ထုံးလုပ်နည်းများနှင့် ညီညွတ်မှုရှိရန် လိုအပ် မည်ဖြစ်ပါသဖြင့် သက်ဆိုင်ရာလုပ်ငန်း အကောင်အထည်ဖော်မည့်ဌာန၊ အဖွဲ့အစည်းမှ တာဝန်ယူစိစစ်ရန် ဖြစ်ပါသည်။

၂။ စာချုပ် (မူကြမ်း)ပါ သတ်မှတ်ချက်များအပေါ် သက်ဆိုင်ရာ စွမ်းအင်ဝန်ကြီးဌာနမှ သဘောတူ လက်ခံပါက ဤဝန်ကြီးဌာနအနေဖြင့် အထူးမှတ်ချက်ပြုရန် မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

၃။ စာချုပ် ချုပ်ဆိုပြီးပါက မိတ္တူ (၃)စောင်ကို ဤဝန်ကြီးဌာနသို့ ပေးပို့ပေးပါရန် မေတ္တာရပ်ခံအပ် ပါသည်။

18/11/2014

ဒုတိယဝန်ကြီး(ကိုယ်စား)
(ထွန်းထွန်းနိုင်၊ ညွှန်ကြားရေးမှူးချုပ်)

မိတ္တူကို

ပြည်ထောင်စုဝန်ကြီးရုံး၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ဒုတိယဝန်ကြီး (၂)ရုံးခန်း၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ရင်းနှီးမြှုပ်နှံမှုနှင့် ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန
အမျိုးသားမှတ်တမ်းများမော်ကွန်းတိုက်ဦးစီးဌာန
ရုံးလက်ခံ/မျှောစာတွဲ

နောက်ဆက်တွဲ(ည)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်

၇၀
၁၈/၁၁
(ယ:၇၀)

စာအမှတ်၊ မဗဘ/ဘဏ်စိစစ်/၄(၃၉၅/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၁၄ ရက်

စွမ်းအင်စီမံရေးဦးစီးဌာန
Energy Planning Department
စာအမှတ် ၄၂
ရက်စွဲ ၁၇-၁၁-၁၄

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **မုတ္တမကမ်းလွန်ဒေသလုပ်ကွက် M-7 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)အပေါ် သဘောထားမှတ်ချက် ပြန်ကြားခြင်း ကိစ္စ**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၈-၁၀-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၀၇/ထ (၈၉၄/၂၀၁၄)

မုတ္တမကမ်းလွန်ဒေသလုပ်ကွက် M-7 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့ လုပ်ငန်း (MOGE)နှင့် ROC Oil (Myanmar) Pte. Ltd၊ TAP Energy (M-7) Pte. Ltd နှင့် Smart E&P International Company Limited တို့ ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း) အပေါ် ရည်ညွှန်းချက်ပါစာဖြင့် သဘောထားမှတ်ချက်တောင်းခံလာခြင်းနှင့်စပ်လျဉ်း၍ မြန်မာနိုင်ငံတော် ဗဟိုဘဏ်၏ သဘောထားမှတ်ချက်အား အောက်ပါအတိုင်းပြန်ကြားအပ်ပါသည်-

- စာချုပ်(မူကြမ်း) Annexure G တွင် MOGE နှင့် စာချုပ်ချုပ်ဆိုမည့် Contractor အား " BERLANGA Myanmar Pte.Ltd" ဟု မှားယွင်းဖော်ပြထားသဖြင့် "ROC Oil (Myanmar) Pte. Ltd၊ TAP Energy (M-7) Pte. Ltd နှင့် Smart E&P International Company Limited" ဟု ပြင်ဆင်ဖော်ပြရန်ဖြစ်ပါသည်။

၁၄/၁၁/၂၀၁၄

(ခင်စောဦး)
ဒုတိယဥက္ကဋ္ဌ

၁၁
၁၉-၁၁-၂၀၁၄

လို/၀က်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

သမ္မတရုံးဝန်ကြီးဌာန(၃)

Energy Planning Department

စာအမှတ်၊ ၁၁ (၁) / ၁၄ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၂ ရက်

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

အကြောင်းအရာ။ ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ (၁ / ၂၀၁၅)၏ မှတ်တမ်းကောက်နုတ်ချက် တင်ပြခြင်းကိစ္စ

၁။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီအစည်းအဝေး (၁ / ၂၀၁၅) ကို ၁ - ၁ - ၂၀၁၅ ရက်နေ့ (ကြာသပတေးနေ့)တွင် သမ္မတရုံးဝန်ကြီးဌာန(၃)၊ ရုံးအမှတ်(၁၄) အစည်းအဝေးခန်းမ၌ ကျင်းပပြုလုပ်ခဲ့ပါသည်။

၂။ အဆိုပါအစည်းအဝေး၌ ဆွေးနွေးခဲ့သည့် အကြောင်းအရာများ၏ ကောက်နုတ်ချက်များကို သိရှိနိုင်ပါရန် ပူးတွဲပါဇယားဖြင့် တင်ပြအပ်ပါသည်။

ဥက္ကဋ္ဌ

ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ

မိတ္တူကို

နိုင်ငံတော်သမ္မတရုံး

ပြည်ထဲရေးဝန်ကြီးဌာန

ဆက်သွယ်ရေးနှင့်သတင်းအချက်အလက်နည်းပညာဝန်ကြီးဌာန

ပို့ဆောင်ရေးဝန်ကြီးဌာန

စဉ်	တင်ပြသည့်ဝန်ကြီးဌာန	အကြောင်းအရာ	ဆုံးဖြတ်ချက်
၁၃။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ROC Oil (Myanmar) Pte., Ltd. ၊ TAP Energy (M-7) Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင် ကုမ္ပဏီ Smart E & P International Co., Ltd. တို့အား မုတ္တမ ကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-7 တွင် ထုတ်လုပ်မှု အပေါ် ခွဲဝေခံစားရေးစာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်း အဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၄။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ TRG M 15 Pte., Ltd. ၊ CFG Energy Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Century Bright Gold Co., Ltd. တို့အား တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက် ဖြစ်သည့် လုပ်ကွက် M-15 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့် ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်း အဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၅။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၂ ခု တို့သည် မုတ္တမကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်း အဝေးသို့ တင်ပြဆောင်ရွက်ရန်။

နောက်ဆက်တွဲ(၄)

၂၉

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၁) / ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၃ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆို လုပ်ကိုင်ခွင့်ကိစ္စ**

ရည် ညွှန်း ချက် ။ ယင်း၏ ၂၉-၁၂-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ပ၀၈/၉၀၇/ထ (၁၈၅၇/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ROC Oil (Myanmar) Pte.,Ltd ၊ TAP Energy (M-7) Pte., Ltd နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Smart E & P International Co., Ltd တို့ကို မုတ္တမကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-7 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းအား လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်သွားရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

သမ္မတရုံးဝန်ကြီးဌာန(၃)

သမ္မတရုံးဝန်ကြီးဌာန(၅)

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ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
စွမ်းအင်ဝန်ကြီးဌာန
(ဝန်ကြီးရုံး)

၁၄
ရက်စွဲ ၆-၃-၁၅

အကြောင်းအရာ။ ။ မှတ်တမ်းကောက်နုတ်ချက်ပေးပို့ခြင်း

ရည်ညွှန်း ချက် ။ ။ (၁) စွမ်းအင်ဝန်ကြီးဌာန၏ ၂-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၀၀၈ / ၉၀၇ / ထ(၇၁/၂၀၁၅)

(၂) ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး၏ ၂၆-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၃၄/၂၅၇/ အဖရ(၄/၂၀၁၅)

အထက်ရည်ညွှန်း(၁)ပါစာဖြင့် တင်ပြထားသော စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၃ ခုတို့အား ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 ၊ လုပ်ကွက်MD-4 တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contracts-PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန် တင်ပြခြင်းကိစ္စနှင့်ပတ်သက်၍ ၁၃-၂-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စု အစိုးရအဖွဲ့ အစည်းအဝေးအမှတ်စဉ်(၄/၂၀၁၅)မှ သဘောတူပါကြောင်း ရည်ညွှန်း(၂)ပါစာဖြင့် အကြောင်းကြားလာပါသဖြင့် လိုအပ်သလိုဆက်လက်ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

ဒုတိယဝန်ကြီး(ကိုယ်စား)
(ဌေးအောင်၊ ရုံးအဖွဲ့မှူး)

စွမ်းအင်စီမံရေးဦးစီးဌာန

စာအမှတ်၊ ၅-၂ စွမ်းအင်(၁) (၇၉၉) ၂၀၁၅
ရက်စွဲ ၊ ၂၀၁၅ ခုနှစ်၊ မတ်လ ၃ ရက်

Company No: 201429619Z

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY

This is to confirm that ROC OIL (MYANMAR) PTE. LTD. is incorporated under the Companies Act (Cap 50), on and from 03/10/2014 and that the company is a PRIVATE COMPANY LIMITED BY SHARES.

GIVEN UNDER MY HAND AND SEAL ON 07/10/2014.

LINDA LEE
ASSISTANT REGISTRAR
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE

REGISTRAR OF COMPANIES & BUSINESSES
ACRA
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY
SINGAPORE

ROC OIL (MYANMAR) PTE LTD

Company Registration No 201429619Z)

(Incorporated in the Republic of Singapore)

Board of Directors

As at 3 October 2014 the board of directors of this company comprised:

- **Alan Scott Linn**
- **Anthony Myles Neilson**
- **Lee Wei Hsiung**

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ROC OIL (MYANMAR) PTE. LTD.

1. The name of the Company is ROC OIL (MYANMAR) PTE. LTD.

2. The registered office of the Company will be situated in the Republic of Singapore.

3. Subject to the provisions of the Companies Act, Cap. 50 and any other written law and the Memorandum and Articles of Association, the Company has:

   (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

   (b) for the purposes of paragraph (a), full rights, powers and privileges.

4. The liability of members is limited.

5. The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

We, the person whose name, address and description are hereunto subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we agree to take the number of share(s) in the capital of the Company set opposite to our name.

Name, Address and Description of Subscriber	Number of share taken by the Subscriber
ROC OIL (MYANMAR HOLDINGS) PTE. LTD. a company incorporated in Singapore and having its registered office at 80 Robinson Road #02-00 Singapore 068898 Executed by Lee Wei Hsiung as Attorney for ROC OIL (MYANMAR HOLDINGS) PTE. LTD. .... **Lee Wei Hsiung**	One (1)
Total Number of Share Taken	**One (1)**

Date:

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ROC OIL (MYANMAR) PTE. LTD.

PRELIMINARY

1. The regulations contained in Table "A" in the Fourth Schedule to the Companies Act, Cap. 50 shall not apply to the Company, but the following shall subject to repeal, addition and alteration as provided by the Act or these Articles be the regulations of the Company. Table "A" not to apply.

2. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof: Interpretation.

WORDS	MEANINGS
the "Act"	The Companies Act, Chapter 50 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act.
these "Articles"	These Articles of Association or other regulations of the Company for the time being in force.
the "Company"	The abovenamed Company by whatever name from time to time called.
"Directors"	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
"Director"	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.
"Dividend"	Includes bonus.
"electronic communication"	Communication transmitted (whether from one (1) person to another, from one (1) device to another, from a person to a device or from a device to a person): (a) by means of a telecommunication system; or (b) by other means but while in an electronic form,

	such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.
"Member"	A member of the Company.
"Month"	Calendar month.
"Office"	The Registered Office of the Company for the time being.
"Ordinary Resolution"	A resolution not being a Special Resolution which is, or which is to be, passed by a majority of Members as, being entitled to do so, vote in person or by proxy at a General Meeting.
"Paid Up"	Includes credited as paid up.
"Register"	The Register of Members.
"Seal"	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
"Secretary"	The Secretary or Secretaries appointed under these Articles and shall include any person entitled to perform the duties of Secretary temporarily.
"Singapore"	The Republic of Singapore.
"Special Resolution"	Has the meaning given in Section 184 of the Act.
"telecommunication system"	Has the meaning as in the Telecommunications Act (Chapter 323) or any statutory modification, amendment or re-enactment thereof for the time being in force.
"treasury share"	Has the meaning given in Section 4 of the Act.
"Writing" and "Written"	Includes printing, lithography, typewriting and any other mode of representing or reproducing words in a visible form, including electronic communication.
"Year"	Calendar Year.

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Cap. 1 shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of these Articles.

BUSINESS

3. Subject to the provisions of the Act, any branch or kind of business may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

Any branch or kind of business may be undertaken by Directors.

PRIVATE COMPANY

4. The Company is a private company, and accordingly:

Limited number of members and restrictions on the transfer of shares.

(a) the number of the Members of the Company (not including persons who are in the employment of the Company or of its subsidiary and persons who having been formerly in the employment of the Company or of its subsidiary were while in the employment and have continued after the determination of that employment to be Members of the Company) shall be limited to fifty Provided that for the purposes of this provision where two (2) or more persons hold one (1) or more shares in the Company jointly they shall be treated as a single Member; and

(b) the right to transfer the shares of the Company shall be restricted in the manner hereinafter appearing.

SHARES

5. Except as is otherwise expressly permitted by the Act, the Company shall not give, whether directly or indirectly and whether by means of the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise, any financial assistance for the purpose of, or in connection with, the acquisition or proposed acquisition of shares or units of shares in the Company or its holding company.

Prohibition of dealing in its own shares.

6. Save as provided by Section 161 of the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to the provisions of these Articles, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Company in General Meeting may approve.

Issue of Shares.

7. The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum of Association or these Articles. Without prejudice to any special right previously conferred on the holders of any existing shares or class of shares but subject to the Act and these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors determine.

Special rights.

8. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of these Articles

Variation of rights.

relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two (2) persons (unless all the shares of the class are held by one (1) person whereupon no quorum is applicable) at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll Provided always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned, within two (2) months of the Meeting shall be as valid and effectual as a Special Resolution, carried at the Meeting.

9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith. *Creation or issue of further shares with special rights.*

10. The Company may exercise the powers of paying commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. *Power to pay commission and brokerage*

11. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or the provisions of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. *Power to charge interest on capital.*

12. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder. *Exclusion of equities.*

13. If two (2) or more persons are registered as joint holders of any share any one (1) of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares. Such joint holders shall be deemed to be one (1) Member and the delivery of a certificate for a share to one (1) of several joint holders shall be sufficient delivery to all such holders. *Joint holders*

14. No person shall be recognised by the Company as having title to a fractional part of a share or otherwise than as the sole or a joint holder of the entirety of such share. *Fractional part of a share.*

15. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. *Payment of instalments.*

16. The certificate of title to shares in the capital of the Company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and shall bear the autographic or facsimile signatures of at least one (1) Director and the Secretary or some other person appointed by the Directors, and shall specify the number and class of shares to which it relates and the amounts paid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company

Share certificates.

17. Every person whose name is entered as a Member in the Register shall be entitled within two (2) months after allotment or within one (1) month after the lodgement of any transfer to one (1) certificate for all his shares of any one (1) class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding S$2.00 for each such new certificate as the Directors may determine.

Entitlement to certificates.

18. If any certificate or other document of title to shares or debentures be worn out or defaced, then upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof. For every certificate so issued there shall be paid to the Company the amount of the proper duty, if any, with which such certificate is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding S$2.00 as the Directors may determine. Subject to the provisions of the Act and the requirements of the Directors thereunder, if any certificate or document be lost or destroyed or stolen, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, and on the payment of the amount of the proper duty with which such certificate or document is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding S$2.00 as the Directors may determine, a new certificate or document in lieu thereof shall be given to the person entitled to such lost or destroyed or stolen certificate or document.

New certificates may be issued.

RESTRICTION ON TRANSFER OF SHARES

19. Subject to the restrictions of these Articles, any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form, or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed both by the transferor and by the transferee, and by the witness or witnesses thereto and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.

Form of transfer.

20. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

Retention of transfers.

21. No share shall in any circumstances be transferred to any infant or bankrupt or person of unsound mind.

Infant, bankrupt or unsound mind.

22. The Directors may, in their absolute discretion, decline to register any transfer of shares on which the Company has a lien or to a person of whom they do not approve but shall in such event, within one (1) month after the date on which the transfer was lodged with the Company, send to the Transferor and transferee notice of the refusal. If the Directors refuse to register a transfer they shall within one (1) month of the date of application for the transfer by notice in writing to the applicant state the facts which are considered to justify the refusal to register the transfer. Directors' power to decline to register.

23. The Directors may decline to register any instrument of transfer unless: Instrument of transfer.

(a) such fee not exceeding S$2.00 or such other sum as the Directors may from time to time require under the provisions of these Articles, is paid to the Company in respect thereof; and

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do.

24. The Company shall provide a book to be called "Register of Transfers" which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares. Register of Transfers.

25. The Register may be closed at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty days in any year. Closure of Register.

TRANSMISSION OF SHARES

26. In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him. Transmission on death.

27. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. Persons becoming entitled on death or bankruptcy of Member may be registered.

28. Save as otherwise provided by or in accordance with these Articles a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in respect of the share. Rights of unregistered executors and trustees.

29. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S$2.00 as the Directors may from time to time require or prescribe. Fee for registration of probate etc.

CALLS ON SHARES

30. The Directors may from time to time make such calls as they think fit upon the Members in respect of any moneys unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. Calls on shares.

31. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. Time when made.

32. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent. (10%) per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. Interest on calls.

33. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date, on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. Sum due on allotment.

34. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments. Power to differentiate.

35. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned the Company may pay interest at such rate not exceeding ten per cent. (10%) per annum as the Member paying such sum and the Directors agree upon. Payment in advance on calls.

FORFEITURE AND LIEN

36. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued. Notice requiring payment of calls.

37. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited. Notice to state time and place.

38. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. Forfeiture on non-compliance with notice.

39. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid. Sale of shares forfeited.

40. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at ten per cent. (10%) per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part. Rights and liabilities of Members whose shares have been forfeited or surrendered.

41. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and on all dividends from time to time declared in respect of the shares. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article. Company's lien.

42. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. Sale of shares subject to lien.

43. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale. Application of proceeds of such sales.

44. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share under Seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share. Title to shares forfeited or surrendered or sold to satisfy a lien.

ALTERATION OF CAPITAL

45. The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares. Power to increase capital

46. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise. Rights and privileges of new shares.

47. Unless otherwise determined by the Company in General Meeting any original shares for the time being unissued and any new shares from time to time to be created shall before issue be offered in the first instance to all the then holders of any class of shares in proportion as nearly as may be to the amount of capital held by them. In offering such shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may dispose of or not issue any such shares which by reason of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Article. Issue of new shares to Members.

48. Except so far as otherwise provided by the conditions of issue or by these Articles all new shares shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise. New shares otherwise subject to provisions of Articles.

49. The Company may by Ordinary Resolution: Power to consolidate, cancel and subdivide shares.

(a) consolidate and divide all or any of its share capital;

(b) cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its share capital by the number of shares so cancelled;

(c) subdivide its shares or any of them (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(d) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.

50. (a) The Company may by Special Resolution reduce its share capital in any manner and with and subject to any incident authorised and consent required by law. Power to reduce capital.

(b) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company other than those shares that are to be held in treasury in accordance with the provisions of these Articles and the Act shall be cancelled.

51. Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of these Articles and the Act. Treasury shares.

52. Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register as the Member holding the shares. Ownership of treasury shares.

53. The Company shall not exercise any right in respect of the treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Rights of treasury shares.

STOCK

54. The Company may by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares. Power to convert into stock.

55. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine. Transfer of stock.

56. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Rights of shareholders.

57. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expressions herein shall include "stock" or "stockholder". Interpretation.

GENERAL MEETINGS

58. (a) Subject to the provisions of the Act and Article 59 hereof, the Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one (1) Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its First Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. *Annual General Meeting.*

(b) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. *Extraordinary General Meetings.*

(c) The time and place of any General Meeting shall be determined by the Directors. *Time and place.*

59. (a) The Company shall dispense with the holding of Annual General Meetings in accordance with the provisions of the Act if a resolution to this effect is passed at a General Meeting by all Members as, being entitled to do so, vote in person or by proxy present at the General Meeting. *Dispensation of Annual General Meetings.*

(b) Notwithstanding a resolution referred to in Article 59(a) being passed to dispense with the holding of Annual General Meetings, any Member may by notice given to the Company in accordance with the requirements of the Act require an Annual General Meeting to be held for that year. The Company shall proceed to convene the Annual General Meeting in accordance with these Articles but shall not be required to convene Annual General Meetings for the subsequent years unless a notice by a Member to require the Company to do so has been received.

(c) Where a resolution referred to in Article 59(a) has been passed to dispense with the holding of Annual General Meetings, any reference in the Act to a deed, act or thing which is required to be done in Annual General Meetings shall be regarded as being done if a resolution or resolutions of the Members has or have been passed by written means in accordance with these Articles to the effect that such deed, act or thing has been done, and any reference in the Act to the date or conclusion of an Annual General Meeting shall, unless an Annual General Meeting is held, be regarded as the date of expiry of the period within which the Annual General Meeting is required by law to be held.

60. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. *Calling Extraordinary General Meetings.*

NOTICE OF GENERAL MEETINGS

61. Subject to the provisions of the Act as to special notice, at least fourteen days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned *Notice of Meetings.*

to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting by that number or majority in number of the Members having a right to attend and vote thereat as is required by the Act.

62. (a) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company. Contents of notice.

(b) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

(c) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

63. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say: Routine business.

(a) Declaring dividends;

(b) Reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;

(c) Appointing Auditors and fixing the remuneration of Auditors or determining the manner in which such remuneration is to be fixed; and

(d) Fixing the remuneration of the Directors proposed to be paid under Article 96.

PROCEEDINGS AT GENERAL MEETINGS

64. Where there are two (2) or more Members of the Company, no business shall be transacted at any General Meeting unless two (2) Members are present to form a quorum. In the event of a corporation being beneficially entitled to the whole of the issued capital of the Company or there being only one (1) Member of the Company, one (1) person representing such corporation or the sole Member shall be a quorum and shall be deemed to constitute a Meeting and, if applicable, the provisions of Section 179 of the Act shall apply. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Quorum.

65. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Meeting shall be dissolved. No notice of any such adjournment as aforesaid shall be required to be given to the Members. Adjournment if quorum not present.

66. The Chairman of the Board of Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any Meeting he be not present within fifteen minutes after the time appointed for holding the Meeting or be unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting or, if no Director be present or if all the Directors present decline to take the Chair, one (1) of their number present, to be Chairman. Chairman.

67. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. Adjournment.

68. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded by at least one (1) Member present in person or by proxy or by attorney or in the case of a corporation by a representative and entitled to vote thereat Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn. Method of voting.

69. If a poll be duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll.

70. If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. Votes counted in error.

71. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote. Chairman's casting vote.

72. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Time for taking a poll.

73. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded.

VOTES OF MEMBERS

74. Subject to these Articles and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands every Member who is present in person or by proxy or attorney or in the case of a corporation by a representative shall have one (1) vote and on a poll every such Member shall have one (1) vote for every share of which he is the holder. Voting rights of Members.

75. Where there are joint registered holders of any share any one (1) of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto and if more than one (1) of such joint holders be so present at any Meeting that one (1) of such persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof. Voting rights of joint holders.

76. A Member of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, Provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty eight hours before the time appointed for holding the Meeting. Voting rights of Members of unsound mind.

77. Subject to the provisions of these Articles every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. Right to vote.

78. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive. Objections.

79. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way. Votes on a poll.

80. An instrument appointing a proxy shall be in writing and: Appointment of proxies.

(a) in the case of an individual shall be signed by the appointor or by his attorney; and

(b) in the case of a corporation shall be either under the common seal or signed by its attorney or by an officer on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

81. A proxy need not be a Member of the Company. *Proxy need not be a Member.*

82. An instrument appointing a proxy or the power of attorney or other authority, if any, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting not less than forty eight hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine. *Deposit of proxies.*

83. An instrument appointing a proxy shall be in the following form with such variations if any as circumstances may require or in such other form as the Directors may accept and shall be deemed to include the right to demand or join in demanding a poll: *Form of proxies.*

ROC OIL (MYANMAR) PTE. LTD.

I/We .... of .... being a member/members of the abovenamed Company, hereby appoint .... of .... or failing him .... of .... as my/our proxy to vote for me/us and on my/our behalf at the (Annual/ Extraordinary) General Meeting, of the Company to be held on the .... day of .... 20.............. and at any adjournment thereof.

Signed this __ day of ___ 20___

This form is to be used * in favour of/against the resolution.

*Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit).

An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

84. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of these Articles shall also include a power of attorney) shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. *Intervening death or insanity of principal not to revoke proxy.*

85. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company. Corporations acting by representatives.

SHAREHOLDERS' RESOLUTIONS BY WRITTEN MEANS

86. Save for a resolution referred to in Article 59 to dispense with the convening of Annual General Meetings or a resolution for which special notice is required under the Act, any resolution required to be passed by the Members of the Company in General Meeting may be passed by written means in accordance with the provisions of Sections 184A to 184F of the Act and these Articles. Where a resolution is deemed to be duly passed by written means, the requirements as to the procedures in these Articles concerning the giving of notice of General Meetings, proceedings of such General Meetings and voting by Members at such General Meetings shall be deemed to be satisfied. Passing Shareholders' Resolutions by Written means.

87. A Special Resolution is passed by written means if the resolution indicates that it is a Special Resolution and it has been formally agreed on any date by one (1) or more Members who on that date represent at least seventy-five per cent. (75%) of the total voting rights of all Members who on that date would have the right to vote on that resolution had a General Meeting been convened. An Ordinary Resolution is passed by written means if the resolution does not indicate that it is a Special Resolution and it has been formally agreed on any date by one (1) or more Members who on that date represent a majority of the total voting rights of all Members who on that date would have the right to vote on that resolution at a General Meeting had a General Meeting been convened. For the avoidance of doubt, the requisite number of Members need not give their formal agreement to any Special Resolution or Ordinary Resolution on a single day.

88. For the purpose of Article 87, a resolution is formally agreed by a Member if:

(a) the Company receives from the Member (or his proxy) a document that (i) is given to the Company in legible form or a permitted alternative form; (ii) indicates the Member's agreement (or agreement on his behalf) to the resolution; and (iii) includes the text of the resolution or otherwise makes clear that it is that resolution that is being agreed to; and

(b) the Member (or his proxy) had a legible text of the resolution before giving that document.

In this Article 88 and also for the purpose of Article 90, something is "in legible form or a permitted alternative form" if, and only if, it is sent or otherwise supplied (aa) in a form (such as paper document) that is legible before being sent or otherwise supplied and does not change form during that process or (bb) through electronic communication.

89. A resolution of the Company may only be passed by written means if agreement was first sought by the Directors in accordance with Article 90 or under the circumstances described in Section 184B(1)(a)(ii) of the Act. For the avoidance of doubt, other than the requirements stated in Articles 86 to 93 hereof, there is no other condition in the Memorandum of Association or these Articles relating to the passing of resolutions by written means that needs to be satisfied.

90. In seeking the agreement of the Members to pass any resolution by written means, the Directors shall send to each Member who would have the right to vote on that resolution had a General Meeting been convened, a copy of the text of the resolution in legible form or a permitted alternative form. As far as practicable, the Directors shall send the text of the resolution as respects every Member at the same time and without delay, and the provisions of Section 184C of the Act shall apply.

91. Any Member who represents at least five per cent (5%) of the total voting rights of all Members would have the right to vote on that resolution had a General Meeting been convened, may within seven (7) days after receiving the text of the resolution sent pursuant to Article 90 or the documents referred to in Section 183(3A) of the Act, as the case may be, give notice to the Company requiring that a General Meeting be convened for the purpose of considering, and if thought fit, passing the resolution. Upon receipt of such a notice, the Directors shall proceed to convene a General Meeting in accordance with Articles 61 to 73 hereof.

92. Where a resolution of the Members is passed by written means, the Company shall notify every Member that the resolution has been passed within fifteen days from the date on which a Director or Company Secretary first becomes aware that the resolution has been passed. The Company shall cause a record of the resolution passed by written means and the indication of each Member's agreement (or agreement on his behalf) to be entered in a book in the like manner for recording proceedings of General Meetings in the minute book. Any such record, if purporting to be signed by a Director or the Company Secretary shall be evidence of the proceedings in passing the resolution, and until the contrary is proved, the record shall also be evidence that the requirements of the Act with respect to the proceedings in passing the resolution have been complied with.

93. Notwithstanding anything in these Articles, where there is only one (1) Member of the Company, a resolution passed by written means may be passed by the Member recording the resolution and signing the record.

DIRECTORS

94. Subject to the other provisions of Section 145 of the Act, the Company shall have at least one (1) Director being a natural person of full age and capacity who is ordinarily resident in Singapore and unless otherwise determined by a General Meeting, there shall be no maximum number of Directors holding office at any time. Number of Directors.

95. A Director need not be a Member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in General Meeting but shall be entitled to attend and speak at General Meetings. Where the Company only has one (1) Member, the sole Member may also be the sole Director of the Company Provided that the requirements in Article 94 are complied with. Qualification.

96. Subject to Section 169 of the Act, the remuneration of the Directors shall be determined from time to time by the Company in General Meeting, and shall be divisible among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for the proportion of remuneration related to the period during which he has held office. Remuneration of Directors.

97. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Travelling expenses.

98. Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may, subject to Section 169 of the Act, be paid such extra remuneration as the Directors may determine.

Extra remuneration.

99. (a) Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

Power of Directors to hold office of profit and to contract with Company.

(b) Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Subject to such disclosure, a Director shall be entitled to vote in respect of any transaction or arrangement in which he is interested and he shall be taken into account in ascertaining whether a quorum is present.

Directors to observe Section 156 of the Act.

100. (a) A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.

Holding of office in other companies.

(b) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

Directors may exercise voting power conferred by Company's shares in another company.

APPOINTMENT AND REMOVAL OF DIRECTORS

101. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or in accordance with these Articles. Directors' power to fill casual vacancies and to appoint additional Director.

102. The Company may by Ordinary Resolution remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement between the Company and such Director. Removal of Directors.

103. The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article. Appointment in place of Director removed.

MANAGING DIRECTORS

104. The Directors may from time to time appoint one (1) or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places. Appointment of Managing Directors.

105. A Managing Director shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause he shall ipso facto and immediately cease to be a Managing Director. Resignation and removal of Managing Director.

106. Subject to Section 169 of the Act, the remuneration of a Managing Director shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participation in profits or by any or all of these modes. Remuneration of Managing Director.

107. The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any of such powers. Powers of Managing Director.

VACATION OF OFFICE OF DIRECTOR

108. The office of a Director shall be vacated in any one (1) of the following events, namely: Vacation of office of Director.

(a) if he becomes prohibited from being a Director by reason of any order made under the Act;

(b) if he ceases to be a Director by virtue of any of the provisions of the Act or these Articles;

(c) subject to Section 145 of the Act, if he resigns by writing under his hand left at the Office;

(d) if he has a receiving order made against him or suspend payments or compound with his creditors generally;

(e) if he be found lunatic or become of unsound mind; or

(f) if he be absent from meetings of the Directors for a continuous period of six (6) months without leave from the Directors and the Directors resolve that his office be vacated.

ALTERNATE DIRECTORS

109. (a) Any Director may at any time by writing under his hand and deposited at the Office or by telefax, telex or by cable sent to the Secretary appoint any person to be his Alternate Director and may in like manner at any time terminate such appointment. Any appointment or removal by telefax, telex or cable shall be confirmed as soon as possible by letter, but may be acted upon by the Company meanwhile. Appointment of Alternate Directors.

(b) A Director or any other person may act as an Alternate Director to represent more than one (1) Director and such Alternate Director shall be entitled at Directors' meetings to one (1) vote for every Director whom he represents in addition to his own vote if he is a Director.

(c) The appointment of an Alternate Director shall ipso facto determine on the happening of any event which if he were a Director would render his office as a Director to be vacated and his appointment shall also determine ipso facto if his appointor ceases for any reason to be a Director.

(d) An Alternate Director shall be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally, if his appointor is absent from Singapore or is otherwise unable to act as such Director, to perform all functions of his appointment as a Director (except the power to appoint an Alternate Director) and to sign any resolution in accordance with the provisions of Article 115.

(e) An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under these Articles but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote Provided that he shall not constitute a quorum under Article 112 if he is the only person present at the meeting notwithstanding that he may be an Alternate to more than one (1) Director.

(f) An Alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

(g) An Alternate Director shall not be required to hold any share qualification.

PROCEEDINGS OF DIRECTORS

110. (a) The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Subject to the provisions of these Articles questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman of the meeting shall not have a second or casting vote. *Meetings of Directors.*

(b) Any Director may participate at a meeting of the Directors by telephone conference, video conference, audio visual or by means of a similar communication equipment whereby all persons participating in the meeting are able to hear each other in which event such

Director shall be deemed to be present at the meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Minutes of the proceedings at a meeting by telephone conference, video conference, audio visual, or other similar communications equipment signed by the Chairman of the meeting shall be conclusive evidence of such proceedings and of the observance of all necessary formalities.

111. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. At least fourteen days notice in writing (exclusive of the day on which the notice is served or is deemed to be served) of every meeting of the Directors shall be given to every Director. Every such notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted Provided that any Director may waive the requirement for notice or accept shorter notice of any meeting of the Directors. *Convening meetings of Directors.*

112. Except where the Company only has one (1) Director, the quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two (2) Provided that where no quorum is present at any duly convened meeting, the meeting shall be adjourned seven (7) days thereafter at the same time and place and such Directors as are present at such meeting shall be the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors. *Quorum.*

113. The continuing Directors may act notwithstanding any vacancies in their body but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings of the Company but not for any other purpose. If there be no Directors or Director able or willing to act, then any Members, or if the Company only has a sole Member, then that sole Member, may summon a General Meeting for the purpose of appointing one (1) or more Directors. *Proceedings in case of vacancies.*

114. The Director shall elect a Chairman and may elect one (1) or more Vice-Chairmen and the Directors may determine the period for which such officers shall respectively hold office. The Chairman (if any), or, in the absence of the Chairman, the Vice-Chairman (if any), or, in the event that there are more than one (1) Vice-Chairman, the senior in appointment among them, shall preside at the meetings of the Directors. If such officers have not been appointed, or if no such officer is present within five (5) minutes after the time appointed for a meeting, the Directors present shall choose one (1) of their number to be Chairman at such meeting. Chairman and Vice-Chairman.

115. A resolution in writing signed by the majority of Directors being not less than are sufficient to form a quorum shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one (1) or more of the Directors. The expressions "in writing" and "signed" include approval by any such Director by telefax, telex, cable, telegram, wireless or facsimile transmission or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. Resolutions in writing.

116. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors. Power to appoint committees.

117. The meetings and proceedings of any such committee consisting of two (2) or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article. Proceedings at committee meetings.

118. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote. Validity of acts of Directors in spite of some formal defect.

119. Notwithstanding anything in these Articles, where the Company only has a sole Director, all acts required to be done or business required to be transacted by a meeting of Directors or of a committee of Directors may be done or undertaken by the sole Director and a declaration made by the sole Director, and recorded and signed by the sole Director, shall be evidence that the same has been done or undertaken. Declaration by a sole Director

GENERAL POWERS OF THE DIRECTORS

120. The business of the Company shall be managed by or under the direction of the Directors. The Directors may exercise all the powers of the Company except any powers that this Act or the Memorandum of Association and Articles of the Company require the Company to exercise in General Meeting. In particular and without prejudice to the generality of the foregoing the Directors may at their discretion exercise every borrowing power vested in the Company together with collateral power of hypothecating the assets of the Company including any uncalled or called but unpaid capital, Provided that the Directors shall not carry into effect any proposals for disposing of the whole or substantially the whole of the Company's undertaking or property unless those proposals have been approved by the Company in General Meeting. General powers of Directors to manage Company's business.

121. The Directors may from time to time by power of attorney appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him. Power to appoint attorneys.

122. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine. Signature of cheques and bills.

BORROWING POWERS

123. The Directors may borrow or raise money from time to time for the purpose of the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures or otherwise as they may think fit. Directors' borrowing powers.

SECRETARY

124. The Secretary or Secretaries shall and a Deputy or Assistant Secretary or Secretaries may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act and in particular Section 171 thereof. Secretary.

SEAL

125. (a) The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or a committee of Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall (subject to the provisions of these Articles as to certificates for shares) be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors in place of the Secretary for the purpose. Seal.

(b) The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors. Official Seal.

(c) The Company may have a duplicate Common Seal as referred to in Section 124 of the Act which shall be a facsimile of the Common Seal with the addition on its face of the words "Share Seal". Share Seal.

AUTHENTICATION OF DOCUMENTS

126. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company, including a resolution passed by written means, or resolutions passed by the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager and other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Power to authenticate documents.

127. A document purporting to be a copy of a resolution of the Directors, an extract from the minutes of a meeting of Directors or a declaration signed by a sole Director in accordance with Article 119 hereof, which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted or deemed meeting of the Directors. Any authentication or certification made pursuant to this Article may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors. Certified copies of resolution of the Directors.

DIVIDENDS AND RESERVES

128. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors. Payment of dividends.

129. Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the number of shares (excluding treasury shares) held by each Member entitled to receive dividends, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the number of shares (excluding treasury shares) held by each Member entitled to receive dividends during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. Apportionment of dividends.

130. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit. Payment of preference and interim dividends.

131. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company. Dividends not to bear interest.

132. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith. Deduction of debts due to Company.

133. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends on shares subject to lien.

134. The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same. Retention of dividends on shares pending transmission.

135. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. Unclaimed dividends.

136. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one (1) or more of such ways; and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividend in specie.

137. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder to any one (1) of such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Dividends payable by cheque.

138. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer. Effect of transfer.

RESERVES

139. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one (1) fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

Power to carry profit to reserve.

CAPITALISATION OF PROFITS AND RESERVES

140. The Company may, upon the recommendation of the Directors, by Ordinary Resolution resolve that it is desirable to capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution, Provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members holding shares in the Company in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company.

Power to capitalise profits.

141. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

Implementation of resolution to capitalise profits.

MINUTES AND BOOKS

142. The Directors shall cause minutes to be made in books to be provided for the purpose:

Minutes.

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of Directors and of any committee of Directors;

(c) of all resolutions and proceedings at all Meetings of the Company and of any class of Members, of the Directors and of committees of Directors;

(d) of all declarations made by a sole Director which is recorded and signed by the sole Director; and

(e) of all resolutions passed by written means with the indication of each Member's agreement (or agreement on his behalf) to the resolutions.

143. The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to keeping a Register of Directors, Managers, Secretaries and Auditors, the Register, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and in regard to the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company. Keeping of Registers, etc.

144. Any register, index, minute book, book of accounts or other book required by these Articles or by the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery. Form of registers, etc.

ACCOUNTS

145. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of the Act and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited. Directors to keep proper accounts.

146. Subject to the provisions of Section 199 of the Act, the books of accounts shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company. Location and inspection.

147. Subject to the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary. Presentation of accounts.

148. Subject to the provisions of the Act, a copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by the Act to be annexed thereto) together with a copy of every report of the Auditors relating thereto (if required) and of the Directors' report shall not less than fourteen days before the date of the Meeting be sent to every Member of, and every holder of debentures (if any) of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles, Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one (1) of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. Copies of accounts.

AUDITORS

149. Subject to the provisions of the Act, Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act. Appointment of Auditors.

150. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. Validity of acts of Auditors in spite of some formal defect.

151. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting to which any Member is entitled and to be heard at any General Meeting on any part of the business of the Meeting which concerns them as Auditors. Auditors' right to receive notices of and attend at General Meetings.

NOTICES

152. (a) Any notice may be given by the Company to any Member in any of the following ways: Service of notice.

(i) by delivering the notice personally to him; or

(ii) by sending it by prepaid mail to him at his registered address in Singapore or where such address is outside Singapore by prepaid air-mail; or

(iii) by sending a cable or telex, or telefax containing the text of the notice to him at his registered address in Singapore or where such address is outside Singapore to such address or to any other address as might have been previously notified by the Member concerned to the Company; or

(iv) by electronic communication containing the text of the notice to him at an electronic mailing address as previously notified by the Member concerned to the Company for the purpose of receiving electronic communication.

(b) Any notice or other communication served under any of the provisions of these Articles on or by the Company or any officer of the Company may be tested or verified by telex or telefax or telephone or electronic means or such other manner as may be convenient in the circumstances but the Company and its officers are under no obligation so to test or verify any such notice or communication.

153. All notices and documents (including a share certificate) with respect to any shares to which persons are jointly entitled shall be given to whichever of such persons is named first on the Register and notice so given shall be sufficient notice to all the holders of such shares. Service of notices in respect of joint holders.

154. Any Member with a registered address shall be entitled to have served upon him at such address any notice to which he is entitled under these Articles, except where the Member has an electronic mailing address notified to the Company for the purpose of receiving electronic communication whereupon any notice may be served by the Company to the Member concerned by electronic communication at the said electronic mailing address. Members shall be served at registered address.

155. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address for the service of notice, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company have notice of the same) be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder. Service of notices after death etc. of a Member.

156. (a) Any notice given in conformity with Article 152 shall be deemed to have been given at any of the following times as may be appropriate: When service effected.

(i) when it is delivered personally to the Member, at the time when it is so delivered;

(ii) when it is sent by prepaid mail to an address in Singapore or by prepaid airmail to an address outside Singapore, on the second day following that on which the notice was put into the post; or

(iii) when the notice is sent by cable or telex, or telefax, or electronic communication, on the day it is so sent.

(b) In proving such service or sending, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter or airmail letter as the case may be or that a telex or telefax or electronic communication was properly addressed and transmitted or that a cable was properly addressed and handed to the relevant authority for despatch.

157. Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written. Signature on notice.

158. When a given number of days' notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by these Articles or by the Act, be not counted in such number of days or period. Day of service not counted.

159. (a) Notice of every General Meeting shall be given in the manner hereinbefore authorised to: Notice of General Meeting.

(i) every Member;

(ii) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the Meeting; and

(iii) the Auditor for the time being of the Company.

(b) No other person shall be entitled to receive notices of General Meetings.

160. The provisions of Articles 152, 156, 157 and 158 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors. Notice of meetings of Directors or any committee of Directors.

WINDING UP

161. Subject to the provisions of these Articles and the Act, if the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one (1) kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one (1) or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability. Distribution of assets in specie.

INDEMNITY

162. Subject to the provisions of the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto and in particular and without prejudice to the generality of the foregoing no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own negligence, wilful default, breach of duty or breach of trust. Indemnity of Directors and officers.

SECRECY

163. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law. Secrecy.

Name, Address and Description of Subscriber

ROC OIL (MYANMAR HOLDINGS) PTE. LTD.
a company incorporated in Singapore
and having its registered office at
80 Robinson Road
#02-00
Singapore 068898

Executed by Lee Wei Hsiung
as Attorney for
ROC OIL (MYANMAR HOLDINGS)
PTE. LTD.)

....
Lee Wei Hsiung

Date:

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2013

	Note	Inflow/ (Outflow) 2013 US$'000	Inflow/ (Outflow) 2012 US$'000
Cash flows from operating activities			
Cash generated from operations	*11*	154,341	190,336
Derivatives received/(paid)		68	(676)
Payments for exploration and evaluation expenses		(16,470)	(5,449)
Interest received		189	3,965
Finance costs paid		(1,579)	(2,866)
Payments made for abandonment costs		(2,299)	-
Payments for non-production phase for BMG		(1,837)	(12,099)
Income taxes and PRRT paid		(30,878)	(46,950)
Net cash generated from operating activities		**101,535**	**126,261**
Cash flows from investing activities			
Payments for plant and equipment		(184)	(104)
Payments for development expenditure		(59,561)	(59,401)
Payments for exploration and evaluation expenditure initially capitalised		-	(19,404)
Proceeds from sale of exploration and development assets		7,985	1,779
Payments for acquisition of additional 5% interest in Cliff Head		-	551
Investment in associate company	*29*	(40,680)	(17,423)
Net cash used in investing activities		**(92,440)**	**(94,002)**
Cash flows from financing activities			
Bank loan repayments		-	(15,000)
Net cash used in financing activities		**-**	**(15,000)**
Net increase in cash held		**9,095**	**17,259**
Cash at beginning of financial year		56,783	39,624
Effect of exchange rate changes on the balance of cash held in foreign currencies		(738)	(100)
Cash at end of financial year	*11*	**65,140**	**56,783**

Consolidated Statement of Financial Position

As at 31 December 2013

	Note	2013 US$'000	2012 US$'000
Current assets			
Cash assets	*11*	65,140	56,783
Trade and other receivables	*12*	32,361	25,474
Inventories	*14*	2,133	658
Total current assets		**99,634**	**82,915**
Non-current assets			
Oil and gas assets	*15*	227,158	237,292
Exploration and evaluation expenditure	*16*	587	1,094
Property, plant and equipment	*17*	858	1,080
Deferred tax assets	*10*	20,594	13,021
Investments in associate companies	*29*	67,203	33,422
Total non-current assets		**316,400**	**285,909**
Total assets		**416,034**	**368,824**
Current liabilities			
Trade and other payables	*20*	42,247	36,088
Current tax liabilities	*10*	8,258	9,944
Provisions	*21*	14,235	10,868
Total current liabilities		**64,740**	**56,900**
Non-current liabilities			
Deferred tax liabilities	*10*	21,078	26,406
Provisions	*21*	63,961	66,869
Total non-current liabilities		**85,039**	**93,275**
Total liabilities		**149,779**	**150,175**
Net assets		**266,255**	**218,649**
Equity			
Share capital	*22*	734,150	734,150
Accumulated losses		(488,833)	(534,022)
Other reserves		20,938	18,521
Total equity		**266,255**	**218,649**

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2013

	Note	2013 US$'000	2012 US$'000
Sales revenue	4	**250,995**	**242,067**
Operating costs	5	(154,889)	(135,917)
Gross profit		**96,106**	**106,150**
Other income	6	189	3,967
Gain on sale of exploration and development assets		8,000	10,315
Net derivative losses		-	(878)
Exploration expensed and written off	7	(16,537)	(18,081)
Provision for restoration		-	(3,379)
Impairment of investment in associate company	29	(6,900)	-
Foreign currency translation reserve gain on liquidation of subsidiary		36	4,649
Other costs	8	(15,346)	(13,413)
Finance costs	9	(3,839)	(6,595)
Profit before income tax		**61,709**	**82,735**
Income tax expense	10	(16,520)	(21,781)
Net profit		**45,189**	**60,954**
Other comprehensive loss			
Foreign currency translation reserve gain on liquidation of subsidiary		(36)	(4,649)
Other comprehensive loss net of tax		**(36)**	**(4,649)**
Total comprehensive profit		**45,153**	**56,305**
Basic earnings per share – cents	24	6.6	8.9
Diluted earnings per share – cents	24	6.5	8.8

ROC OIL (MYANMAR) PTE. LTD.

(the "Company")
(Company Registration No. 201429619Z)
(Incorporated in the Republic of Singapore)

DIRECTOR'S RESOLUTIONS PASSED PURSUANT TO ARTICLE 115 OF THE COMPANY'S ARTICLES OF ASSOCIATION

We, the undersigned, being all of the Directors of the Company, adopt the following resolution:

Myanmar Offshore M07 entry in Production Sharing Contract

Reference is made to the Memorandum of Understanding regarding Block M-07 Offshore Myanmar between the Company's ultimate parent company Roc Oil Company Limited and Tap Oil Limited and Smart E&P International Co. Ltd dated 13 November 2013 ("**MOU**").

IT IS RESOLVED that in accordance with the MOU and the resolution of the Company's ultimate parent company, Roc Oil Company Limited (a certified extract of which is attached to this resolution) ("**ROC**"):

1. THAT the Company be authorised to enter into a Production Sharing Contract (**PSC**) with Myanma Oil and Gas Enterprise, Tap Oil Limited (or a nominated wholly owned subsidiary) and Smart E&P International Company Limited in relation to the Myanmar Offshore M07 Block M-7, Moattama Offshore Area, Myanmar substantially in accordance with the terms approved by ROC; and

2. THAT either Alan Linn, Leanne Nolan, Anthony Neilson or Pierre Eliet be authorised to sign on behalf of the Company to enter into the PSC and associated documentation required.

3. THAT if in connection with the aforesaid, it is required, expedient or desirable for any document to be executed under the Common Seal of the Company, authority be and is hereby given for the affixation of the Common Seal of the Company on any such document which shall be signed in accordance with the provisions of the Company's Articles of Association.

Dated:

Alan Scott Linn

Anthony Myles Neilson

Lee Wei Hsiung

EXTRACT OF RESOLUTIONS OF THE BOARD OF DIRECTORS

OF ROC OIL COMPANY LIMITED

I, **Leanne Elizabeth Nolan,** Company Secretary of the Company certify that the following is a complete extract of the resolution of the directors of the Company at a meeting held on 2 October 2014 and duly passed in accordance with the Company's Constitution and that such resolution has not been amended or revoked.

"Myanmar Offshore M07

IT WAS RESOLVED that the Company or a nominated wholly owned subsidiary be authorised to enter into a Production Sharing Contract (**PSC**) with Myanma Oil and Gas Enterprise, Tap Oil Limited (or a nominated wholly owned subsidiary) and Smart E&P International Company Limited in relation to the Myanmar Offshore M07 Block M-7, Moattama Offshore Area, Myanmar substantially in accordance with the terms set out in the paper attached in Appendix VI to these Board papers.

IT WAS FURTHER RESOLVED that either Alan Linn, Leanne Nolan, Anthony Neilson or Pierre Eliet be authorised to sign on behalf of Roc Oil (Myanmar) Pte Ltd or such other wholly owned subsidiary of the Company to enter into the PSC and associated documentation required."

Signed

[signature]

Leanne Elizabeth Nolan

Company Secretary

Date: 6th October 2014.

No. of Company

201429619Z

....

The Companies Act, (Cap. 50)

COMPANY LIMITED BY SHARES

Memorandum

and

Articles of Association

of

ROC OIL (MYANMAR) PTE. LTD.

Incorporated on the 3rd day of October 2014

Lodged in the Office of the Registrar
of Companies, Singapore

Company No: 201429619Z

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY

This is to confirm that ROC OIL (MYANMAR) PTE. LTD. is incorporated under the Companies Act (Cap 50), on and from 03/10/2014 and that the company is a PRIVATE COMPANY LIMITED BY SHARES.

GIVEN UNDER MY HAND AND SEAL ON 07/10/2014.

LINDA LEE
ASSISTANT REGISTRAR
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE

REGISTRAR OF COMPANIES & BUSINESSES
ACRA
SINGAPORE

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ROC OIL (MYANMAR) PTE. LTD.

1. The name of the Company is ROC OIL (MYANMAR) PTE. LTD.

2. The registered office of the Company will be situated in the Republic of Singapore.

3. Subject to the provisions of the Companies Act, Cap. 50 and any other written law and the Memorandum and Articles of Association, the Company has:

   (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

   (b) for the purposes of paragraph (a), full rights, powers and privileges.

4. The liability of members is limited.

5. The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

We, the person whose name, address and description are hereunto subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we agree to take the number of share(s) in the capital of the Company set opposite to our name.

Name, Address and Description of Subscriber	**Number of share taken by the Subscriber**
ROC OIL (MYANMAR HOLDINGS) PTE. LTD. a company incorporated in Singapore and having its registered office at 80 Robinson Road #02-00 Singapore 068898 Executed by Lee Wei Hsiung as Attorney for ROC OIL (MYANMAR HOLDINGS) PTE. LTD. .... **Lee Wei Hsiung**	One (1)
Total Number of Share Taken	**One (1)**

Dated this 3rd day of October 2014

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ROC OIL (MYANMAR) PTE. LTD.

PRELIMINARY

1. The regulations contained in Table "A" in the Fourth Schedule to the Companies Act, Cap. 50 shall not apply to the Company, but the following shall subject to repeal, addition and alteration as provided by the Act or these Articles be the regulations of the Company. Table "A" not to apply.

2. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof: Interpretation.

WORDS	MEANINGS
the "Act"	The Companies Act, Chapter 50 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act.
these "Articles"	These Articles of Association or other regulations of the Company for the time being in force.
the "Company"	The abovenamed Company by whatever name from time to time called.
"Directors"	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
"Director"	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.
"Dividend"	Includes bonus.
"electronic communication"	Communication transmitted (whether from one (1) person to another, from one (1) device to another, from a person to a device or from a device to a person): (a) by means of a telecommunication system; or (b) by other means but while in an electronic form,

	such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.
"Member"	A member of the Company.
"Month"	Calendar month.
"Office"	The Registered Office of the Company for the time being.
"Ordinary Resolution"	A resolution not being a Special Resolution which is, or which is to be, passed by a majority of Members as, being entitled to do so, vote in person or by proxy at a General Meeting.
"Paid Up"	Includes credited as paid up.
"Register"	The Register of Members.
"Seal"	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
"Secretary"	The Secretary or Secretaries appointed under these Articles and shall include any person entitled to perform the duties of Secretary temporarily.
"Singapore"	The Republic of Singapore.
"Special Resolution"	Has the meaning given in Section 184 of the Act.
"telecommunication system"	Has the meaning as in the Telecommunications Act (Chapter 323) or any statutory modification, amendment or re-enactment thereof for the time being in force.
"treasury share"	Has the meaning given in Section 4 of the Act.
"Writing" and "Written"	Includes printing, lithography, typewriting and any other mode of representing or reproducing words in a visible form, including electronic communication.
"Year"	Calendar Year.

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Cap. 1 shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of these Articles.

BUSINESS

3. Subject to the provisions of the Act, any branch or kind of business may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

Any branch or kind of business may be undertaken by Directors.

PRIVATE COMPANY

4. The Company is a private company, and accordingly:

Limited number of members and restrictions on the transfer of shares.

(a) the number of the Members of the Company (not including persons who are in the employment of the Company or of its subsidiary and persons who having been formerly in the employment of the Company or of its subsidiary were while in the employment and have continued after the determination of that employment to be Members of the Company) shall be limited to fifty Provided that for the purposes of this provision where two (2) or more persons hold one (1) or more shares in the Company jointly they shall be treated as a single Member; and

(b) the right to transfer the shares of the Company shall be restricted in the manner hereinafter appearing.

SHARES

5. Except as is otherwise expressly permitted by the Act, the Company shall not give, whether directly or indirectly and whether by means of the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise, any financial assistance for the purpose of, or in connection with, the acquisition or proposed acquisition of shares or units of shares in the Company or its holding company.

Prohibition of dealing in its own shares.

6. Save as provided by Section 161 of the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to the provisions of these Articles, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Company in General Meeting may approve.

Issue of Shares.

7. The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum of Association or these Articles. Without prejudice to any special right previously conferred on the holders of any existing shares or class of shares but subject to the Act and these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors determine.

Special rights.

8. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of these Articles

Variation of rights.

relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two (2) persons (unless all the shares of the class are held by one (1) person whereupon no quorum is applicable) at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll Provided always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned, within two (2) months of the Meeting shall be as valid and effectual as a Special Resolution, carried at the Meeting.

9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith. *Creation or issue of further shares with special rights.*

10. The Company may exercise the powers of paying commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. *Power to pay commission and brokerage*

11. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or the provisions of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. *Power to charge interest on capital.*

12. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder. *Exclusion of equities.*

13. If two (2) or more persons are registered as joint holders of any share any one (1) of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares. Such joint holders shall be deemed to be one (1) Member and the delivery of a certificate for a share to one (1) of several joint holders shall be sufficient delivery to all such holders. *Joint holders*

14. No person shall be recognised by the Company as having title to a fractional part of a share or otherwise than as the sole or a joint holder of the entirety of such share. *Fractional part of a share.*

15. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. *Payment of instalments.*

16. The certificate of title to shares in the capital of the Company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and shall bear the autographic or facsimile signatures of at least one (1) Director and the Secretary or some other person appointed by the Directors, and shall specify the number and class of shares to which it relates and the amounts paid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company

Share certificates.

17. Every person whose name is entered as a Member in the Register shall be entitled within two (2) months after allotment or within one (1) month after the lodgement of any transfer to one (1) certificate for all his shares of any one (1) class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding S$2.00 for each such new certificate as the Directors may determine.

Entitlement to certificates.

18. If any certificate or other document of title to shares or debentures be worn out or defaced, then upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof. For every certificate so issued there shall be paid to the Company the amount of the proper duty, if any, with which such certificate is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding S$2.00 as the Directors may determine. Subject to the provisions of the Act and the requirements of the Directors thereunder, if any certificate or document be lost or destroyed or stolen, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, and on the payment of the amount of the proper duty with which such certificate or document is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding S$2.00 as the Directors may determine, a new certificate or document in lieu thereof shall be given to the person entitled to such lost or destroyed or stolen certificate or document.

New certificates may be issued.

RESTRICTION ON TRANSFER OF SHARES

19. Subject to the restrictions of these Articles, any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form, or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed both by the transferor and by the transferee, and by the witness or witnesses thereto and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.

Form of transfer.

20. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

Retention of transfers.

21. No share shall in any circumstances be transferred to any infant or bankrupt or person of unsound mind.

Infant, bankrupt or unsound mind.

22. The Directors may, in their absolute discretion, decline to register any transfer of shares on which the Company has a lien or to a person of whom they do not approve but shall in such event, within one (1) month after the date on which the transfer was lodged with the Company, send to the Transferor and transferee notice of the refusal. If the Directors refuse to register a transfer they shall within one (1) month of the date of application for the transfer by notice in writing to the applicant state the facts which are considered to justify the refusal to register the transfer. Directors' power to decline to register.

23. The Directors may decline to register any instrument of transfer unless: Instrument of transfer.

(a) such fee not exceeding S$2.00 or such other sum as the Directors may from time to time require under the provisions of these Articles, is paid to the Company in respect thereof; and

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do.

24. The Company shall provide a book to be called "Register of Transfers" which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares. Register of Transfers.

25. The Register may be closed at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty days in any year. Closure of Register.

TRANSMISSION OF SHARES

26. In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him. Transmission on death.

27. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. Persons becoming entitled on death or bankruptcy of Member may be registered.

28. Save as otherwise provided by or in accordance with these Articles a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in respect of the share. Rights of unregistered executors and trustees.

29. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S$2.00 as the Directors may from time to time require or prescribe. Fee for registration of probate etc.

CALLS ON SHARES

30. The Directors may from time to time make such calls as they think fit upon the Members in respect of any moneys unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. Calls on shares.

31. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. Time when made.

32. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent. (10%) per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. Interest on calls.

33. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date, on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. Sum due on allotment.

34. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments. Power to differentiate.

35. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned the Company may pay interest at such rate not exceeding ten per cent. (10%) per annum as the Member paying such sum and the Directors agree upon. Payment in advance on calls.

FORFEITURE AND LIEN

36. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued. Notice requiring payment of calls.

37. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

Notice to state time and place.

38. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

Forfeiture on non-compliance with notice.

39. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.

Sale of shares forfeited.

40. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at ten per cent. (10%) per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.

Rights and liabilities of Members whose shares have been forfeited or surrendered.

41. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and on all dividends from time to time declared in respect of the shares. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.

Company's lien.

42. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.

Sale of shares subject to lien.

43. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Application of proceeds of such sales.

44. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share under Seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share. Title to shares forfeited or surrendered or sold to satisfy a lien.

ALTERATION OF CAPITAL

45. The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares. Power to increase capital

46. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise. Rights and privileges of new shares.

47. Unless otherwise determined by the Company in General Meeting any original shares for the time being unissued and any new shares from time to time to be created shall before issue be offered in the first instance to all the then holders of any class of shares in proportion as nearly as may be to the amount of capital held by them. In offering such shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may dispose of or not issue any such shares which by reason of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Article. Issue of new shares to Members.

48. Except so far as otherwise provided by the conditions of issue or by these Articles all new shares shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise. New shares otherwise subject to provisions of Articles.

49. The Company may by Ordinary Resolution: Power to consolidate, cancel and subdivide shares.

(a) consolidate and divide all or any of its share capital;

(b) cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its share capital by the number of shares so cancelled;

(c) subdivide its shares or any of them (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(d) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.

50. (a) The Company may by Special Resolution reduce its share capital in any manner and with and subject to any incident authorised and consent required by law. Power to reduce capital.

(b) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company other than those shares that are to be held in treasury in accordance with the provisions of these Articles and the Act shall be cancelled.

51. Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of these Articles and the Act. Treasury shares.

52. Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register as the Member holding the shares. Ownership of treasury shares.

53. The Company shall not exercise any right in respect of the treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Rights of treasury shares.

STOCK

54. The Company may by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares. Power to convert into stock.

55. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine. Transfer of stock.

56. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Rights of shareholders.

57. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expressions herein shall include "stock" or "stockholder". Interpretation.

GENERAL MEETINGS

58. (a) Subject to the provisions of the Act and Article 59 hereof, the Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one (1) Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its First Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. *Annual General Meeting.*

(b) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. *Extraordinary General Meetings.*

(c) The time and place of any General Meeting shall be determined by the Directors. *Time and place.*

59. (a) The Company shall dispense with the holding of Annual General Meetings in accordance with the provisions of the Act if a resolution to this effect is passed at a General Meeting by all Members as, being entitled to do so, vote in person or by proxy present at the General Meeting. *Dispensation of Annual General Meetings.*

(b) Notwithstanding a resolution referred to in Article 59(a) being passed to dispense with the holding of Annual General Meetings, any Member may by notice given to the Company in accordance with the requirements of the Act require an Annual General Meeting to be held for that year. The Company shall proceed to convene the Annual General Meeting in accordance with these Articles but shall not be required to convene Annual General Meetings for the subsequent years unless a notice by a Member to require the Company to do so has been received.

(c) Where a resolution referred to in Article 59(a) has been passed to dispense with the holding of Annual General Meetings, any reference in the Act to a deed, act or thing which is required to be done in Annual General Meetings shall be regarded as being done if a resolution or resolutions of the Members has or have been passed by written means in accordance with these Articles to the effect that such deed, act or thing has been done, and any reference in the Act to the date or conclusion of an Annual General Meeting shall, unless an Annual General Meeting is held, be regarded as the date of expiry of the period within which the Annual General Meeting is required by law to be held.

60. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. *Calling Extraordinary General Meetings.*

NOTICE OF GENERAL MEETINGS

61. Subject to the provisions of the Act as to special notice, at least fourteen days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned *Notice of Meetings.*

to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting by that number or majority in number of the Members having a right to attend and vote thereat as is required by the Act.

62. (a) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company. Contents of notice.

(b) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

(c) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

63. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say: Routine business.

(a) Declaring dividends;

(b) Reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;

(c) Appointing Auditors and fixing the remuneration of Auditors or determining the manner in which such remuneration is to be fixed; and

(d) Fixing the remuneration of the Directors proposed to be paid under Article 96.

PROCEEDINGS AT GENERAL MEETINGS

64. Where there are two (2) or more Members of the Company, no business shall be transacted at any General Meeting unless two (2) Members are present to form a quorum. In the event of a corporation being beneficially entitled to the whole of the issued capital of the Company or there being only one (1) Member of the Company, one (1) person representing such corporation or the sole Member shall be a quorum and shall be deemed to constitute a Meeting and, if applicable, the provisions of Section 179 of the Act shall apply. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Quorum.

65. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Meeting shall be dissolved. No notice of any such adjournment as aforesaid shall be required to be given to the Members. Adjournment if quorum not present.

66. The Chairman of the Board of Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any Meeting he be not present within fifteen minutes after the time appointed for holding the Meeting or be unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting or, if no Director be present or if all the Directors present decline to take the Chair, one (1) of their number present, to be Chairman. Chairman.

67. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. Adjournment.

68. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded by at least one (1) Member present in person or by proxy or by attorney or in the case of a corporation by a representative and entitled to vote thereat Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn. Method of voting.

69. If a poll be duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll.

70. If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. Votes counted in error.

71. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote. Chairman's casting vote.

72. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Time for taking a poll.

73. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded.

VOTES OF MEMBERS

74. Subject to these Articles and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands every Member who is present in person or by proxy or attorney or in the case of a corporation by a representative shall have one (1) vote and on a poll every such Member shall have one (1) vote for every share of which he is the holder. Voting rights of Members.

75. Where there are joint registered holders of any share any one (1) of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto and if more than one (1) of such joint holders be so present at any Meeting that one (1) of such persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof. Voting rights of joint holders.

76. A Member of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, Provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty eight hours before the time appointed for holding the Meeting. Voting rights of Members of unsound mind.

77. Subject to the provisions of these Articles every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. Right to vote.

78. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive. Objections.

79. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way. Votes on a poll.

80. An instrument appointing a proxy shall be in writing and: Appointment of proxies.

(a) in the case of an individual shall be signed by the appointor or by his attorney; and

(b) in the case of a corporation shall be either under the common seal or signed by its attorney or by an officer on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

81. A proxy need not be a Member of the Company. Proxy need not be a Member.

82. An instrument appointing a proxy or the power of attorney or other authority, if any, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting not less than forty eight hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine. Deposit of proxies.

83. An instrument appointing a proxy shall be in the following form with such variations if any as circumstances may require or in such other form as the Directors may accept and shall be deemed to include the right to demand or join in demanding a poll: Form of proxies.

ROC OIL (MYANMAR) PTE. LTD.

I/We .... of

.... being a member/members

of the abovenamed Company, hereby appoint ....

of .... or failing him

.... of ....

as my/our proxy to vote for me/us and on my/our behalf at the (Annual/ Extraordinary) General Meeting, of the Company to be held on the .... day of .... 20.............. and at any adjournment thereof.

Signed this __ day of ___ 20___

This form is to be used * in favour of/against the resolution.

*Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit).

An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

84. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of these Articles shall also include a power of attorney) shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. Intervening death or insanity of principal not to revoke proxy.

85. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company.

Corporations acting by representatives.

SHAREHOLDERS' RESOLUTIONS BY WRITTEN MEANS

86. Save for a resolution referred to in Article 59 to dispense with the convening of Annual General Meetings or a resolution for which special notice is required under the Act, any resolution required to be passed by the Members of the Company in General Meeting may be passed by written means in accordance with the provisions of Sections 184A to 184F of the Act and these Articles. Where a resolution is deemed to be duly passed by written means, the requirements as to the procedures in these Articles concerning the giving of notice of General Meetings, proceedings of such General Meetings and voting by Members at such General Meetings shall be deemed to be satisfied.

Passing Shareholders' Resolutions by Written means.

87. A Special Resolution is passed by written means if the resolution indicates that it is a Special Resolution and it has been formally agreed on any date by one (1) or more Members who on that date represent at least seventy-five per cent. (75%) of the total voting rights of all Members who on that date would have the right to vote on that resolution had a General Meeting been convened. An Ordinary Resolution is passed by written means if the resolution does not indicate that it is a Special Resolution and it has been formally agreed on any date by one (1) or more Members who on that date represent a majority of the total voting rights of all Members who on that date would have the right to vote on that resolution at a General Meeting had a General Meeting been convened. For the avoidance of doubt, the requisite number of Members need not give their formal agreement to any Special Resolution or Ordinary Resolution on a single day.

88. For the purpose of Article 87, a resolution is formally agreed by a Member if:

(a) the Company receives from the Member (or his proxy) a document that (i) is given to the Company in legible form or a permitted alternative form; (ii) indicates the Member's agreement (or agreement on his behalf) to the resolution; and (iii) includes the text of the resolution or otherwise makes clear that it is that resolution that is being agreed to; and

(b) the Member (or his proxy) had a legible text of the resolution before giving that document.

In this Article 88 and also for the purpose of Article 90, something is "in legible form or a permitted alternative form" if, and only if, it is sent or otherwise supplied (aa) in a form (such as paper document) that is legible before being sent or otherwise supplied and does not change form during that process or (bb) through electronic communication.

89. A resolution of the Company may only be passed by written means if agreement was first sought by the Directors in accordance with Article 90 or under the circumstances described in Section 184B(1)(a)(ii) of the Act. For the avoidance of doubt, other than the requirements stated in Articles 86 to 93 hereof, there is no other condition in the Memorandum of Association or these Articles relating to the passing of resolutions by written means that needs to be satisfied.

90. In seeking the agreement of the Members to pass any resolution by written means, the Directors shall send to each Member who would have the right to vote on that resolution had a General Meeting been convened, a copy of the text of the resolution in legible form or a permitted alternative form. As far as practicable, the Directors shall send the text of the resolution as respects every Member at the same time and without delay, and the provisions of Section 184C of the Act shall apply.

91. Any Member who represents at least five per cent (5%) of the total voting rights of all Members would have the right to vote on that resolution had a General Meeting been convened, may within seven (7) days after receiving the text of the resolution sent pursuant to Article 90 or the documents referred to in Section 183(3A) of the Act, as the case may be, give notice to the Company requiring that a General Meeting be convened for the purpose of considering, and if thought fit, passing the resolution. Upon receipt of such a notice, the Directors shall proceed to convene a General Meeting in accordance with Articles 61 to 73 hereof.

92. Where a resolution of the Members is passed by written means, the Company shall notify every Member that the resolution has been passed within fifteen days from the date on which a Director or Company Secretary first becomes aware that the resolution has been passed. The Company shall cause a record of the resolution passed by written means and the indication of each Member's agreement (or agreement on his behalf) to be entered in a book in the like manner for recording proceedings of General Meetings in the minute book. Any such record, if purporting to be signed by a Director or the Company Secretary shall be evidence of the proceedings in passing the resolution, and until the contrary is proved, the record shall also be evidence that the requirements of the Act with respect to the proceedings in passing the resolution have been complied with.

93. Notwithstanding anything in these Articles, where there is only one (1) Member of the Company, a resolution passed by written means may be passed by the Member recording the resolution and signing the record.

DIRECTORS

94. Subject to the other provisions of Section 145 of the Act, the Company shall have at least one (1) Director being a natural person of full age and capacity who is ordinarily resident in Singapore and unless otherwise determined by a General Meeting, there shall be no maximum number of Directors holding office at any time. Number of Directors.

95. A Director need not be a Member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in General Meeting but shall be entitled to attend and speak at General Meetings. Where the Company only has one (1) Member, the sole Member may also be the sole Director of the Company Provided that the requirements in Article 94 are complied with. Qualification.

96. Subject to Section 169 of the Act, the remuneration of the Directors shall be determined from time to time by the Company in General Meeting, and shall be divisible among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for the proportion of remuneration related to the period during which he has held office. Remuneration of Directors.

97. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. Travelling expenses.

98. Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may, subject to Section 169 of the Act, be paid such extra remuneration as the Directors may determine. Extra remuneration.

99. (a) Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established. Power of Directors to hold office of profit and to contract with Company.

(b) Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Subject to such disclosure, a Director shall be entitled to vote in respect of any transaction or arrangement in which he is interested and he shall be taken into account in ascertaining whether a quorum is present. Directors to observe Section 156 of the Act.

100. (a) A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company. Holding of office in other companies.

(b) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company. Directors may exercise voting power conferred by Company's shares in another company.

APPOINTMENT AND REMOVAL OF DIRECTORS

101. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or in accordance with these Articles.

Directors' power to fill casual vacancies and to appoint additional Director.

102. The Company may by Ordinary Resolution remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement between the Company and such Director.

Removal of Directors.

103. The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article.

Appointment in place of Director removed.

MANAGING DIRECTORS

104. The Directors may from time to time appoint one (1) or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places.

Appointment of Managing Directors.

105. A Managing Director shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause he shall ipso facto and immediately cease to be a Managing Director.

Resignation and removal of Managing Director.

106. Subject to Section 169 of the Act, the remuneration of a Managing Director shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participation in profits or by any or all of these modes.

Remuneration of Managing Director.

107. The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any of such powers.

Powers of Managing Director.

VACATION OF OFFICE OF DIRECTOR

108. The office of a Director shall be vacated in any one (1) of the following events, namely:

Vacation of office of Director.

(a) if he becomes prohibited from being a Director by reason of any order made under the Act;

(b) if he ceases to be a Director by virtue of any of the provisions of the Act or these Articles;

(c) subject to Section 145 of the Act, if he resigns by writing under his hand left at the Office;

(d) if he has a receiving order made against him or suspend payments or compound with his creditors generally;

(e) if he be found lunatic or become of unsound mind; or

(f) if he be absent from meetings of the Directors for a continuous period of six (6) months without leave from the Directors and the Directors resolve that his office be vacated.

ALTERNATE DIRECTORS

109. (a) Any Director may at any time by writing under his hand and deposited at the Office or by telefax, telex or by cable sent to the Secretary appoint any person to be his Alternate Director and may in like manner at any time terminate such appointment. Any appointment or removal by telefax, telex or cable shall be confirmed as soon as possible by letter, but may be acted upon by the Company meanwhile. Appointment of Alternate Directors.

(b) A Director or any other person may act as an Alternate Director to represent more than one (1) Director and such Alternate Director shall be entitled at Directors' meetings to one (1) vote for every Director whom he represents in addition to his own vote if he is a Director.

(c) The appointment of an Alternate Director shall ipso facto determine on the happening of any event which if he were a Director would render his office as a Director to be vacated and his appointment shall also determine ipso facto if his appointor ceases for any reason to be a Director.

(d) An Alternate Director shall be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally, if his appointor is absent from Singapore or is otherwise unable to act as such Director, to perform all functions of his appointment as a Director (except the power to appoint an Alternate Director) and to sign any resolution in accordance with the provisions of Article 115.

(e) An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under these Articles but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote Provided that he shall not constitute a quorum under Article 112 if he is the only person present at the meeting notwithstanding that he may be an Alternate to more than one (1) Director.

(f) An Alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

(g) An Alternate Director shall not be required to hold any share qualification.

PROCEEDINGS OF DIRECTORS

110. (a) The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Subject to the provisions of these Articles questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman of the meeting shall not have a second or casting vote. Meetings of Directors.

(b) Any Director may participate at a meeting of the Directors by telephone conference, video conference, audio visual or by means of a similar communication equipment whereby all persons participating in the meeting are able to hear each other in which event such

Director shall be deemed to be present at the meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Minutes of the proceedings at a meeting by telephone conference, video conference, audio visual, or other similar communications equipment signed by the Chairman of the meeting shall be conclusive evidence of such proceedings and of the observance of all necessary formalities.

111. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. At least fourteen days notice in writing (exclusive of the day on which the notice is served or is deemed to be served) of every meeting of the Directors shall be given to every Director. Every such notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted Provided that any Director may waive the requirement for notice or accept shorter notice of any meeting of the Directors. Convening meetings of Directors.

112. Except where the Company only has one (1) Director, the quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two (2) Provided that where no quorum is present at any duly convened meeting, the meeting shall be adjourned seven (7) days thereafter at the same time and place and such Directors as are present at such meeting shall be the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors. Quorum.

113. The continuing Directors may act notwithstanding any vacancies in their body but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings of the Company but not for any other purpose. If there be no Directors or Director able or willing to act, then any Members, or if the Company only has a sole Member, then that sole Member, may summon a General Meeting for the purpose of appointing one (1) or more Directors. Proceedings in case of vacancies.

114. The Director shall elect a Chairman and may elect one (1) or more Vice-Chairmen and the Directors may determine the period for which such officers shall respectively hold office. The Chairman (if any), or, in the absence of the Chairman, the Vice-Chairman (if any), or, in the event that there are more than one (1) Vice-Chairman, the senior in appointment among them, shall preside at the meetings of the Directors. If such officers have not been appointed, or if no such officer is present within five (5) minutes after the time appointed for a meeting, the Directors present shall choose one (1) of their number to be Chairman at such meeting.

Chairman and Vice-Chairman.

115. A resolution in writing signed by the majority of Directors being not less than are sufficient to form a quorum shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one (1) or more of the Directors. The expressions "in writing" and "signed" include approval by any such Director by telefax, telex, cable, telegram, wireless or facsimile transmission or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

Resolutions in writing.

116. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

Power to appoint committees.

117. The meetings and proceedings of any such committee consisting of two (2) or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

Proceedings at committee meetings.

118. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

Validity of acts of Directors in spite of some formal defect.

119. Notwithstanding anything in these Articles, where the Company only has a sole Director, all acts required to be done or business required to be transacted by a meeting of Directors or of a committee of Directors may be done or undertaken by the sole Director and a declaration made by the sole Director, and recorded and signed by the sole Director, shall be evidence that the same has been done or undertaken.

Declaration by a sole Director

GENERAL POWERS OF THE DIRECTORS

120. The business of the Company shall be managed by or under the direction of the Directors. The Directors may exercise all the powers of the Company except any powers that this Act or the Memorandum of Association and Articles of the Company require the Company to exercise in General Meeting. In particular and without prejudice to the generality of the foregoing the Directors may at their discretion exercise every borrowing power vested in the Company together with collateral power of hypothecating the assets of the Company including any uncalled or called but unpaid capital, Provided that the Directors shall not carry into effect any proposals for disposing of the whole or substantially the whole of the Company's undertaking or property unless those proposals have been approved by the Company in General Meeting.

General powers of Directors to manage Company's business.

121. The Directors may from time to time by power of attorney appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him. Power to appoint attorneys.

122. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine. Signature of cheques and bills.

BORROWING POWERS

123. The Directors may borrow or raise money from time to time for the purpose of the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures or otherwise as they may think fit. Directors' borrowing powers.

SECRETARY

124. The Secretary or Secretaries shall and a Deputy or Assistant Secretary or Secretaries may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act and in particular Section 171 thereof. Secretary.

SEAL

125. (a) The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or a committee of Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall (subject to the provisions of these Articles as to certificates for shares) be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors in place of the Secretary for the purpose. Seal.

(b) The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors. Official Seal.

(c) The Company may have a duplicate Common Seal as referred to in Section 124 of the Act which shall be a facsimile of the Common Seal with the addition on its face of the words "Share Seal". Share Seal.

AUTHENTICATION OF DOCUMENTS

126. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company, including a resolution passed by written means, or resolutions passed by the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager and other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Power to authenticate documents.

127. A document purporting to be a copy of a resolution of the Directors, an extract from the minutes of a meeting of Directors or a declaration signed by a sole Director in accordance with Article 119 hereof, which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted or deemed meeting of the Directors. Any authentication or certification made pursuant to this Article may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors. Certified copies of resolution of the Directors.

DIVIDENDS AND RESERVES

128. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors. Payment of dividends.

129. Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the number of shares (excluding treasury shares) held by each Member entitled to receive dividends, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the number of shares (excluding treasury shares) held by each Member entitled to receive dividends during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. Apportionment of dividends.

130. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit. Payment of preference and interim dividends.

131. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company. Dividends not to bear interest.

132. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith. Deduction of debts due to Company.

133. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends on shares subject to lien.

134. The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same. Retention of dividends on shares pending transmission.

135. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. Unclaimed dividends.

136. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one (1) or more of such ways; and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividend in specie.

137. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder to any one (1) of such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Dividends payable by cheque.

138. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer. Effect of transfer.

RESERVES

139. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one (1) fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

Power to carry profit to reserve.

CAPITALISATION OF PROFITS AND RESERVES

140. The Company may, upon the recommendation of the Directors, by Ordinary Resolution resolve that it is desirable to capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution, Provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members holding shares in the Company in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company.

Power to capitalise profits.

141. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

Implementation of resolution to capitalise profits.

MINUTES AND BOOKS

142. The Directors shall cause minutes to be made in books to be provided for the purpose:

Minutes.

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of Directors and of any committee of Directors;

(c) of all resolutions and proceedings at all Meetings of the Company and of any class of Members, of the Directors and of committees of Directors;

(d) of all declarations made by a sole Director which is recorded and signed by the sole Director; and

(e) of all resolutions passed by written means with the indication of each Member's agreement (or agreement on his behalf) to the resolutions.

143. The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to keeping a Register of Directors, Managers, Secretaries and Auditors, the Register, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and in regard to the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company.

Keeping of Registers, etc.

144. Any register, index, minute book, book of accounts or other book required by these Articles or by the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery.

Form of registers, etc.

ACCOUNTS

145. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of the Act and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.

Directors to keep proper accounts.

146. Subject to the provisions of Section 199 of the Act, the books of accounts shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company.

Location and inspection.

147. Subject to the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

Presentation of accounts.

148. Subject to the provisions of the Act, a copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by the Act to be annexed thereto) together with a copy of every report of the Auditors relating thereto (if required) and of the Directors' report shall not less than fourteen days before the date of the Meeting be sent to every Member of, and every holder of debentures (if any) of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles, Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one (1) of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

Copies of accounts.

AUDITORS

149. Subject to the provisions of the Act, Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act. Appointment of Auditors.

150. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. Validity of acts of Auditors in spite of some formal defect.

151. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting to which any Member is entitled and to be heard at any General Meeting on any part of the business of the Meeting which concerns them as Auditors. Auditors' right to receive notices of and attend at General Meetings.

NOTICES

152. (a) Any notice may be given by the Company to any Member in any of the following ways: Service of notice.

(i) by delivering the notice personally to him; or

(ii) by sending it by prepaid mail to him at his registered address in Singapore or where such address is outside Singapore by prepaid air-mail; or

(iii) by sending a cable or telex, or telefax containing the text of the notice to him at his registered address in Singapore or where such address is outside Singapore to such address or to any other address as might have been previously notified by the Member concerned to the Company; or

(iv) by electronic communication containing the text of the notice to him at an electronic mailing address as previously notified by the Member concerned to the Company for the purpose of receiving electronic communication.

(b) Any notice or other communication served under any of the provisions of these Articles on or by the Company or any officer of the Company may be tested or verified by telex or telefax or telephone or electronic means or such other manner as may be convenient in the circumstances but the Company and its officers are under no obligation so to test or verify any such notice or communication.

153. All notices and documents (including a share certificate) with respect to any shares to which persons are jointly entitled shall be given to whichever of such persons is named first on the Register and notice so given shall be sufficient notice to all the holders of such shares. Service of notices in respect of joint holders.

154. Any Member with a registered address shall be entitled to have served upon him at such address any notice to which he is entitled under these Articles, except where the Member has an electronic mailing address notified to the Company for the purpose of receiving electronic communication whereupon any notice may be served by the Company to the Member concerned by electronic communication at the said electronic mailing address. Members shall be served at registered address.

155. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address for the service of notice, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company have notice of the same) be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder. Service of notices after death etc. of a Member.

156. (a) Any notice given in conformity with Article 152 shall be deemed to have been given at any of the following times as may be appropriate: When service effected.

(i) when it is delivered personally to the Member, at the time when it is so delivered;

(ii) when it is sent by prepaid mail to an address in Singapore or by prepaid airmail to an address outside Singapore, on the second day following that on which the notice was put into the post; or

(iii) when the notice is sent by cable or telex, or telefax, or electronic communication, on the day it is so sent.

(b) In proving such service or sending, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter or airmail letter as the case may be or that a telex or telefax or electronic communication was properly addressed and transmitted or that a cable was properly addressed and handed to the relevant authority for despatch.

157. Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written. Signature on notice.

158. When a given number of days' notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by these Articles or by the Act, be not counted in such number of days or period. Day of service not counted.

159. (a) Notice of every General Meeting shall be given in the manner hereinbefore authorised to: Notice of General Meeting.

(i) every Member;

(ii) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the Meeting; and

(iii) the Auditor for the time being of the Company.

(b) No other person shall be entitled to receive notices of General Meetings.

160. The provisions of Articles 152, 156, 157 and 158 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors.

Notice of meetings of Directors or any committee of Directors.

WINDING UP

161. Subject to the provisions of these Articles and the Act, if the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one (1) kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one (1) or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.

Distribution of assets in specie.

INDEMNITY

162. Subject to the provisions of the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto and in particular and without prejudice to the generality of the foregoing no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own negligence, wilful default, breach of duty or breach of trust.

Indemnity of Directors and officers.

SECRECY

163. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law.

Secrecy.

Name, Address and Description of Subscriber

ROC OIL (MYANMAR HOLDINGS) PTE. LTD.
a company incorporated in Singapore
and having its registered office at
80 Robinson Road
#02-00
Singapore 068898

Executed by Lee Wei Hsiung
as Attorney for
ROC OIL (MYANMAR HOLDINGS)
PTE. LTD.

....
Lee Wei Hsiung

Dated this 3rd day of October 2014

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2013

	Note	2013 US$'000	2012 US$'000
Sales revenue	*4*	**250,995**	**242,067**
Operating costs	*5*	(154,889)	(135,917)
Gross profit		**96,106**	**106,150**
Other income	*6*	189	3,967
Gain on sale of exploration and development assets		8,000	10,315
Net derivative losses		-	(878)
Exploration expensed and written off	*7*	(16,537)	(18,081)
Provision for restoration		-	(3,379)
Impairment of investment in associate company	*29*	(6,900)	-
Foreign currency translation reserve gain on liquidation of subsidiary		36	4,649
Other costs	*8*	(15,346)	(13,413)
Finance costs	*9*	(3,839)	(6,595)
Profit before income tax		**61,709**	**82,735**
Income tax expense	*10*	(16,520)	(21,781)
Net profit		**45,189**	**60,954**
Other comprehensive loss			
Foreign currency translation reserve gain on liquidation of subsidiary		(36)	(4,649)
Other comprehensive loss net of tax		**(36)**	**(4,649)**
Total comprehensive profit		**45,153**	**56,305**
Basic earnings per share – cents	*24*	6.6	8.9
Diluted earnings per share – cents	*24*	6.5	8.8

Consolidated Statement of Financial Position

As at 31 December 2013

	Note	2013 US$'000	2012 US$'000
Current assets			
Cash assets	*11*	65,140	56,783
Trade and other receivables	*12*	32,361	25,474
Inventories	*14*	2,133	658
Total current assets		**99,634**	**82,915**
Non-current assets			
Oil and gas assets	*15*	227,158	237,292
Exploration and evaluation expenditure	*16*	587	1,094
Property, plant and equipment	*17*	858	1,080
Deferred tax assets	*10*	20,594	13,021
Investments in associate companies	*29*	67,203	33,422
Total non-current assets		**316,400**	**285,909**
Total assets		**416,034**	**368,824**
Current liabilities			
Trade and other payables	*20*	42,247	36,088
Current tax liabilities	*10*	8,258	9,944
Provisions	*21*	14,235	10,868
Total current liabilities		**64,740**	**56,900**
Non-current liabilities			
Deferred tax liabilities	*10*	21,078	26,406
Provisions	*21*	63,961	66,869
Total non-current liabilities		**85,039**	**93,275**
Total liabilities		**149,779**	**150,175**
Net assets		**266,255**	**218,649**
Equity			
Share capital	*22*	734,150	734,150
Accumulated losses		(488,833)	(534,022)
Other reserves		20,938	18,521
Total equity		**266,255**	**218,649**

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2013

	Note	Inflow/ (Outflow) 2013 US$'000	Inflow/ (Outflow) 2012 US$'000
Cash flows from operating activities			
Cash generated from operations	*11*	154,341	190,336
Derivatives received/(paid)		68	(676)
Payments for exploration and evaluation expenses		(16,470)	(5,449)
Interest received		189	3,965
Finance costs paid		(1,579)	(2,866)
Payments made for abandonment costs		(2,299)	-
Payments for non-production phase for BMG		(1,837)	(12,099)
Income taxes and PRRT paid		(30,878)	(46,950)
Net cash generated from operating activities		**101,535**	**126,261**
Cash flows from investing activities			
Payments for plant and equipment		(184)	(104)
Payments for development expenditure		(59,561)	(59,401)
Payments for exploration and evaluation expenditure initially capitalised		-	(19,404)
Proceeds from sale of exploration and development assets		7,985	1,779
Payments for acquisition of additional 5% interest in Cliff Head		-	551
Investment in associate company	*29*	(40,680)	(17,423)
Net cash used in investing activities		**(92,440)**	**(94,002)**
Cash flows from financing activities			
Bank loan repayments		-	(15,000)
Net cash used in financing activities		**-**	**(15,000)**
Net increase in cash held		**9,095**	**17,259**
Cash at beginning of financial year		56,783	39,624
Effect of exchange rate changes on the balance of cash held in foreign currencies		(738)	(100)
Cash at end of financial year	*11*	**65,140**	**56,783**

EMBASSY OF THE REPUBLIC OF THE UNION OF MYANMAR
22 Arkana Street, Yarralumla, Canberra, A.C.T. 2600
Tel: (02) 6273 3811 Fax: (02) 6273 3181
Email: mecanberra@bigpond.com

No. 375/45

I, the undersigned, **TIN YU, Minister-Counsellor** of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, do hereby certify that the signature " **CHUKIET VASANA** " and the seal on the annexed document are respectively the signature of **C Vasana,** Foreign Affairs Officer and the seal of the Department of Foreign Affairs and Trade, Sydney, New South Wales, Australia.

IN WITNESS whereof I have hereto set my hand and affixed the seal of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, this twenty first day of May Two Thousand and Thirteen.

TIN YU

MINISTER-COUNSELLOR

NOTARIAL CERTIFICATE

SYDNEY, State of NEW SOUTH WALES, AUSTRALIA

I, **PATRICIA VARNAVA** Notary Public, of 46 Market Street, Sydney practising in the City of Sydney and the State of New South Wales in the Commonwealth of Australia duly authorised, admitted and sworn **CERTIFY** that:-

(a) **ROC OIL COMPANY LIMITED ACN 075 965 856 (ROC)** is a company registered and existing under the Corporations Act 2001 of Australia;

(b) Alan Linn is the Executive Director and Chief Executive Officer of the Company;

(c) The annexed **letter dated 13th May 2013** is signed by Alan Linn;

(d) The signature purporting to be the signature of Alan Linn is his true signature and proper handwriting;

(e) The document was executed according to Australian Law and full faith and credit should be given to the document so executed.

IN FAITH AND TESTIMONY whereof I have hereunto set my hand and seal of office.

DATED at Sydney in the State of New South Wales, Australia this 14th day of May in the year Two Thousand and Thirteen.

....

Notary Public
Sydney, New South Wales, Australia
My appointment is not limited by time

Patricia Varnava- Notary Public
Suite 1004, Level 10, 46 Market Street, Sydney NSW 2000 Australia
T: (02) 9299 6463 F: (02) 9262 1741 Email: mccoyga@optusnet.com.au

13 May 2013

Director General
Energy Planning Department
Ministry of Energy
Building Number 6, Nay Pyi Taw
The Republic of the Union of Myanmar

Letter of Expression of Interest - Roc Oil Company Limited
Myanmar Offshore Blocks First Bidding Round-2013

Sir,

Roc Oil Company Limited (ROC) is an exploration and production company with an impressive 13 year history of successfully developing and operating oil and gas fields. The Company is listed on the Australian Securities Exchange (ASX:ROC) and has a global portfolio of both operated and non-operated assets.

ROC's strengths include: a proven track record of discovering, developing and operating smaller scale fields; rejuvenating, redeveloping and operating mature fields; operating successful near-field exploration programmes; a skilled, responsive and efficient management team with broad experience across Asia, including Myanmar; and a particular focus to grow the business in South East Asia.

In April 2013, ROC successfully pre-qualified to participate in Myanmar's onshore licensing round. The various appraisal, development and exploration licenses available are aligned with ROC's strategic objective to identify and secure value adding opportunities in SE Asia.

ROC presently operates around 21,000 BOEPD of offshore production at the Zhao Dong Fields in China and the Cliff Head Field in Australia, as well as operating several exploration permits offshore China. In March 2013 ROC commenced a trial production period in its China Beibu Gulf Project and achieved first production from two development wells. ROC has a major interest in an appraisal asset in Malaysia through a Risk Service Contract over several fields offshore Sarawak. The Company has non-operated production assets in China (Beibu Gulf) and the UK (North Sea), and a non-operated interest in an exploration permit offshore Equatorial Guinea.

ROC has strong joint venture partnerships and working relationships with National Oil Companies such as PETRONAS, Pertamina, PetroChina, CNOOC and Sinochem, as well as international independent companies such as Dialog (Malaysia), Itochu, Sojitz, AWE, Beach Energy, Horizon Oil and Talisman.

Roc Oil Company Limited ABN 32 075 965 856
Tel: +61 2 8023 2000 Fax: +61 2 8023 2222
Office: Level 18, 321 Kent Street, Sydney NSW Australia
Mail: PO Box Q1496, Queen Victoria Building, NSW 1230 Australia

www.rocoil.com.au

ROC is financially stable and secure, with a present market capitalisation of approximately US$300 million and a net cash position of US$51.3 million. In 2012, sales revenue was US$242.1 million and total production was 2.4 MMBOE (at an average rate of 6,445 BOEPD). In 1Q 2013, sales revenue was US$57.3 million and total production was 0.564 MMBOE (at an average rate of 6,263 BOEPD).

The Company's strengths and capabilities place ROC in a good position to assist Myanmar in growing its hydrocarbon production profile.

As requested in the Invitation to Bid dated 11 April 2013, the following notarized and authenticated documents are enclosed with this Expression of Interest letter and attachments:

- 2012 Annual Report, including Financial Statements and Sustainability Report;
- Activities Report for Quarter ended 31 March 2013, including Financial Statements;
- Myanmar Oil & Gas Summit presentation made on 4 February 2013;
- Roc Oil Company Limited's certificate of incorporation;
- Roc Oil Company Limited's Constitution.

These documents detail ROC's track record and financial position, a summary of which is outlined in the attachment to this letter. Further information is located on the Company's website: **www.rocoil.com.au**.

If successful, ROC would anticipate establishing a wholly owned subsidiary company or branch in Myanmar to operate and administer the petroleum operations.

We would welcome the opportunity to further discuss the opportunity and our proposal.

Yours sincerely,

Alan Linn
Executive Director and Chief Executive Officer

Attched: Company qualifications and track record document

COMPANY QUALIFICATIONS AND TRACK RECORD

Company Profile

Roc Oil Company Limited

Australian Company Number 075 965 856. The Company is limited by shares and is registered under the Corporations Act 2001 of the Commonwealth of Australia) and the date of registration is the 14th day of October 1996.

ROC is one of Australia's leading independent upstream oil and gas companies.

Incorporated in Australia, ROC listed on the Australian Securities Exchange (ASX) in 1999 and currently has a market capitalisation of around US$300 million with approximately 682.5 million shares on issue.

ROC has a strong operating emphasis, an Asian focus with offices in Sydney, Kuala Lumpur, Beijing and Perth (Australian and Chinese assets provide around 80% of production and 2P Reserves), and a global workforce of 180 employees. ROC's value drivers include:

- Management team with a track record of delivery;
- Asian focus in areas with world class proven basin potential;
- Established partnerships and good working relationships with National Oil Companies (NOC);
- Profitable and diverse oil producing assets that deliver low risk revenue and cashflow;
- Attractive appraisal and development portfolio; and
- Significant near field and transformational exploration potential.

ROC's strategy is to:

- Fully exploit reserve and resource base;
- Leverage operating and technical capabilities and strengths to create growth opportunities through exploration, development and production;
- Balance and manage risk, including financial, operating and resource risks; and
- Steward financial resources and focus on financial performance.

ROC constantly evaluates the cost effective development and acquisition of new and existing exploration, development and production assets. The Company prefers to take meaningful interests in such assets and to assume operatorship. ROC utilises established relationships with partners, governments and NOCs to identify and develop opportunities.

ROC's remaining 2P reserves as at the end of 2012 were 15.0 MMBOE (over 99% oil) with additional 3P reserves and near-field exploration potential. 100% reserves replacement was achieved in 2012 (2.4MMBOE) attributable to successful Beibu Gulf exploration drilling and improved recovery from existing fields.

Health, Safety, Environment and Community

ROC is committed to operating safely and responsibly. The management of health, safety, environment and community matters is an integral part of every ROC manager's role, with specialist support provided by internal and external experts. ROC's Health, Safety and Environment (HSE) Policy establishes the responsibilities, standards and the framework for managing these issues within the Company.

ROC undertakes business activities in a manner consistent with sound HSE management practices and complies with applicable HSE laws and regulations. This is achieved by management, employees and contractors working together to adopt ROC's HSE systems and standards. Performance is monitored, reviewed and audited to achieve best practice. ROC regularly reviews this policy to take account of changes in legislation and Company activities.

ROC has an impressive HSE and community record in challenging operational environments:

- Health and Safety: ROC has a track record of performing ahead of industry averages measuring safety performance and we will continue to pursue the highest standards and continue working towards an incident free workplace. Lost Time Injury Frequency Rate per million manhours worked was 0.59 in 2012, 0.0 in 2011, 1.5 in 2010 and 0.4 in 2009. These compare well with industry 5-year averages. Operations in China and at our BMG asset achieved two years without a lost time injury in December 2012.
- Environment: ROC is committed to protecting the environment in which we operate and taking the appropriate steps to manage, eliminate or minimize our impact. ROC has had no significant environment incidents over the past two years of operation. ROC has lowered its environmental footprint over the past two years through reducing flared gas emissions, reducing water usage and improving waste management systems.
- Community Engagement: ROC's long-term success depends on our ability to build strong relationships and work collaboratively and transparently with our stakeholders – especially the communities in which we operate. ROC has a proven track record of: engaging with communities at all stages of projects; supporting local communities, with an underlying focus on educational partnerships; and seeking to provide work experiences and employment opportunities where possible to community members.

ROC's Sustainability Report provides further detail on HSE and community issues and is included in the annual report. ROC's corporate HSE Policy is available on the company's website (www.rocoil.com.au).

Financial Capability

At 31 March 2013, ROC had net cash of US$51.3 million, with cash of US$60.3 million offset by debt of US$9 million. Below is an overview of production, oil sales and exploration and development expenditure for the 2012 full year, as well as the fourth quarter of 2012 and the first quarter of 2013. Additional finance information may be found in the 2012 Annual Report which is enclosed with this submission.

Production (Working Interest)

Oil Production (BBL)	2012	4Q 2012	1Q 2013	% Change (4Q12 to 1Q13)
Zhao Dong Oil Fields	1,592,934	417,020	376,155	(10%)
Cliff Head	477,831	111,055	101,539	(9%)
Blane	234,673	27,245	78,035	186%
Chinguetti[(1)]	34,180	-	-	-
Beibu	-	-	4,474	n/a
Enoch	9,125	-	-	-
Other	165	29	3	(90%)
Total Oil Production	**2,348,908**	**555,349**	**560,206**	**0.9%**
Blane (NGL Production)	9,924	1,129	3,489	209%
Total Production (BOE)	**2,358,832**	**556,478**	**563,695**	**1%**
Average Rate (BOEPD)	**6,445**	**6,049**	**6,263**	**4%**

(1) Chinguetti sale was completed in July 2012

Oil Sales

	2012		4Q 2012		1Q 2013	
	BBL	**US$'000**	**BBL**	**US$'000**	**BBL**	**US$'000**
Zhao Dong Oil Fields	1,381,605	157,375	325,460	34,248	343,315	37,485
Cliff Head	479,300	54,011	108,812	11,829	100,648	11,273
Blane	192,404	22,349	-	(27)	75,121	8,563
Chinguetti	44,854	4,538	-	-	-	-
Beibu	-	-	-	-	-	-
Enoch	21,178	2,494	-	-	-	-
Other	165	19	29	3	3	-
Total Oil Sales	**2,119,506**	**240,786**	**434,301**	**46,053**	**519,087**	**57,321**
Blane (NGLs)	21,356	1,281	584	3	-	-
Total Sales (BOE)	**2,140,862**	**242,067**	**434,885**	**46,056**	**519,087**	**57,321**

Exploration and Development Expenditure Incurred

	2012 US$'000	4Q 2012 US$'000	1Q 2013 US$'000
Exploration			
Africa	(298)	-	-
China	23,002	21,295	283
Other (includes New Ventures)	6,274	2,170	1,934
Total Exploration	**28,978**	**23,465**	**2,217**
Development			
Zhao Dong Oil Fields	26,667	9,175	5,551
Beibu	38,609	10,139	9,057
Total Development	**65,276**	**19,314**	**14,608**
Total Exploration & Development	**94,254**	**42,779**	**16,825**

Operational and financial highlights during the quarter ended 31 March 2013 included:

- Continuing strong HSE performance.
- Production of 6,263 BOEPD up 4% from 4Q12.
- Revenue of US$57.3 million up 24% from 4Q12.
- Commencement of trial oil production period in Beibu Gulf Project.
- Balai Cluster pre-development programs continue to plan.

Historical Activity Overview

The table below summarizes the significant amount of seismic and drilling related activities that ROC has performed an as operator since 1998 to 30 April 2013.

[illegible]		[illegible]	[illegible]		[illegible]			
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Senegal	Offshore		1,523	-	-	-	-	-
Morocco	Offshore		1,448	-	-	-	-	-
Equatorial Guinea	Offshore	1500	-	1,403	1	-	-	1
Angola	Onshore	-	722	618	7	3	-	10
UK	Onshore	-	200	490	3	4	1	8
Mongolia	Onshore	-	2,475	-	2	3	-	5
China	Offshore	5 to 40	-	460	6	7	112	125
Malaysia	Offshore	60	-	-	-	4	-	4
Australia	Offshore	5 to 200	5,233	1,235	11	6	9	26
New Zealand	Onshore	-	-	35	-	-	-	-
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Production Assets

ROC operates approximately 21,000 BOEPD of production from offshore assets in two countries: Australia and China. It participates in production from two other fields in the North Sea (UK Sector) and from another asset in the Beibu Gulf in China.

Cliff Head Oil Field, WA-31-L, Offshore Western Australia
(ROC: 42.5% & Operator)

ROC's first well in Australia, drilled in December 2001, discovered the Cliff Head Oil Field, the first commercial oil discovery in the offshore Perth Basin. ROC successfully operated the

development project and production commenced in May 2006, less than 14 months after project sanction. In November 2007, 18 months after production commenced, the field produced its 5 millionth barrel of oil and paid out its $327 million capital cost.

The development consists of an unmanned platform with a pipeline to an onshore stabilisation plant. Oil is trucked to the BP Kwinana Refinery in Perth.

Gross oil production in 2012 averaged 2,840 BOPD (ROC net: 1,310 BOPD). Gross oil production in 1Q 2013 averaged 2,655 BOPD (ROC net: 1,128 BOPD).

Zhao Dong Oil Fields, Bohai Bay, Offshore China
(C & D Oil Fields ROC: 24.5% & Operator)
(C4 Oil Field ROC: 11.575% unitised & Operator)
(Zhanghai ROC: 39.2% & Operator)

ROC acquired a 24.5% operated interest in the offshore Zhao Dong Block in 2006 via the acquisition of 100% of the shares of Apache China Corporation LDC. The existing contract was modified in March 2011 to include the adjoining Zhanghai and Chenghai Blocks with the aim of commercialising previous near field discoveries and encouraging further exploration activity.

The Zhao Dong development (C&D fields and C4 unitised field) consists of four linked platforms, two for drilling and accommodation and two for production and processing, with C4 platforms connected by pipelines. The fields are currently producing and undergoing simultaneous continuous development. Since acquiring the asset, ROC has successfully undertaken an expansion of the development facilities and annual multi-well development drilling and workover programs.

Zhao Dong gross oil production in 2012 averaged 20,213 BOPD (ROC net: 4,363 BOPD). Gross oil production in 1Q 2013 averaged 18,245 BOPD (ROC net: 4,180 BOPD).

WZ 6-12 and WZ 12-8 West Oil Fields, Beibu Gulf, Offshore China
(Production ROC: 19.6%)
(Exploration & Appraisal ROC: 40% & Operator)

In 2002, ROC farmed in to the Beibu Block 22/12 as operator. Within the month, ROC drilled its first well and discovered oil. In April/May 2006, the drilling of the Wei 6-12S-1 exploration well made a significant oil discovery. Two appraisal wells were subsequently drilled on the field.

Following the formal end to the exploration period for Block 22/12, on 27 September 2008 CNOOC declared that the WZ 6-12 and WZ 12-8 Oil Fields were development areas and assumed operatorship from ROC. At this stage, there were five undeveloped oil accumulations in the development areas: WZ 6-12N, WZ 6-12 South, WZ 12-8 West, WZ 12-8 East and WZ 12-3. As a result of FID approval, 2P reserves of 24 MMB (ROC net 4.7 MMB) were booked for the project. The development plan incorporated two remote wellhead platforms and one joint processing platform, which connect by bridge to the CNOOC WZ 12-1A platform complex and will utilize existing water injection and gas processing facilities.

A multi-well development drilling programme commenced during 4Q12 and continues in 2013. In 4Q 2012, three successful exploration/appraisal wells (operated by ROC) were drilled in the retained development areas, adding to overall project reserves and resulting in additional wells to be drilled. The Beibu Gulf field development plan will now deliver a total of ten development wells on the WZ6-12 platform, following which the drilling will move to the WZ 12-8 platform to drill five more development wells.

On completion of the successful hook-up and commissioning of the offshore facilities in 1Q13, trial production was delivered from two wells on the WZ 6-12 wellhead platform. At the end of April 2013, five development wells were completed and online. Plateau production is expected during 3Q13.

Blane Oil Field, North Sea
(ROC: 12.5%)

ROC purchased the asset in 1999. Gross oil production in 2012 averaged 2,369 BOPD (ROC net: 296 BOPD). Gross oil production in 1Q 2013 averaged 6,936 BOPD (ROC net: 867 BOPD).

Enoch Oil and Gas Field, North Sea
(ROC: 12%)

ROC purchased the asset in 1999. The Enoch field remained shut-in throughout 1Q13 due to mechanical and subsea issues that occurred in 1Q12. The remedial activities required to reinstate production are planned for later in 2013 with production expected to restart late 2013 / early 2014.

Development Assets

Basker-Manta-Gummy Oil and Gas Fields, VIC/L26, VIC/L27 & VIC/L28, Offshore Victoria
(ROC: 30% & Operator)

Since acquiring this asset 2H 2008, ROC drilled one development well and the field produced until November 2010, when the joint venture agreed to enter the field into a non-production phase (NPP). NPP activities were successfully concluded in 2Q 2012 without experiencing a Lost Time Injury or significant loss of containment incident. The field currently remains in a NPP.

Previous UK Development Activities

In 1999, ROC purchased a suite of oil and gas assets onshore eastern England and offshore in the UK North Sea. The core asset acquired was the undeveloped Saltfleetby Gas Field in Lincolnshire, which ROC developed into Britain's largest onshore gas field. In December 2004, after producing 54 BCF of gas, the Saltfleetby Gas Field was sold. From 2004 to March 2009 ROC's remaining onshore UK licences were relinquished or sold. ROC currently holds non-operated interests in the UK North Sea (see "Production" section above).

Exploration and Appraisal Assets

Balai Cluster Risk Service Contract (RSC), offshore Sarawak, Malaysia
(ROC: 48% through shareholding in the BC Petroleum, which manages the RSC)

On 16 August 2011, PETRONAS entered into a RSC for the pre-development and development of the Balai Cluster Fields with a contractor group comprising ROC, DIALOG Group and PETRONAS Carigali. The contractor group formed a joint venture company, BC Petroleum Sdn Bhd, to operate and manage the RSC. The Balai Cluster fields include the Balai, Bentara, Spaoh and West Acis discoveries.

The project is currently in the pre-development phase, which includes drilling and testing of appraisal wells and the procurement of related facilities and equipment. The installation of four wellhead platforms was successfully completed during 2012. On 24 October 2012, the first appraisal well, Bentara 2, was successful and confirmed the hydrocarbon extension of the Bentara field. Drilling and testing for the Balai-2 well concluded in mid-January 2013. Logging results confirmed a net hydrocarbon pay of approximately 47 metres across seven reservoirs in the primary sandstone target and an estimated net gas pay of approximately 40 metres across one reservoir in the shallower secondary limestone target. The Spaoh-2 well was completed in mid March 2013 and logging results confirmed a net hydrocarbon pay of approximately 30 metres across six sandstone reservoirs. Drilling of West Acis-2 was completed in April 2013. Preliminary logging results indicate an estimated net hydrocarbon pay of approximately 20 metres across three sandstone reservoir intervals.

The wells were cased and completed in preparation for extended well testing with an Early Production Vessel (EPV). The EPV is expected on location to commence extended well testing in June 2013.

On the successful completion of the pre-development phase and agreement on the project viability of the fields, BC Petroleum will submit a field development plan for all or some of the fields and progress to the development phase. Production is planned to be online within 24 months from commencement of the development program.

Block 09/05, Bohai Bay, Offshore China
(ROC: 100% & Operator)

In May 2011, ROC was awarded a Petroleum Contract (PC) with CNOOC for 100% interest and operatorship of the Bohai 09/05 exploration block, offshore Bohai. The minimum work commitment for the first phase of the exploration period includes 3D seismic acquisition and the drilling of exploration wells. Geo-technical work is in progress and 3D seismic acquisition is planned during 2013.

Block H, Offshore Equatorial Guinea
(ROC: 20%)

The joint venture partners were awarded an extension to the permit to February 2014. The drilling of an exploration well is not expected to start prior to 4Q 2013. ROC has a free carry for the exploration well subject to an option in place for White Rose Energy Ventures (Equatorial

Guinea) Limited to acquire ROC's remaining 20% interest in Block H for US$16.1 million prior to the spud of any exploration well.

Previous Angola Exploration Activities

In 2000, ROC acquired an operated interest in the Cabinda South Block, onshore Angola and the contract was activated in 2005. From 2005 to 2007, ROC acquired 722km of 2D and 618km^2 3D seismic data. A 7-well exploration program was completed in 2007/08. ROC sold its interest in the asset in May 2011.

Previous Australia Exploration Activities

From 2000 to 2010, ROC actively explored several operated offshore Perth Basin exploration permits, acquiring 5,800km 2D and 1,289km^2 3D seismic and drilling eleven exploration wells. ROC has subsequently surrendered or sold all Western Australian exploration permits.

Company Senior Management

ROC recognizes that continued operational growth and business performance requires a capable and engaged leadership team to drive high performance. ROC's management team has well over 100 years combined experience in the oil and gas industry across more than 15 different countries.

Alan Linn, Chief Executive Officer

Mr Linn joined ROC in January 2008 as Asset Manager - Africa and in October 2008 was appointed Chief Operating Officer. Mr Linn was appointed as Acting Chief Executive Officer on 29 October 2010. Mr Linn was appointed as Chief Executive Officer on 23 February 2011 and was appointed as Executive Director on 27 February 2012. Mr Linn is a chartered chemical engineer with 30 years of international operational and joint venture management experience in both the upstream and downstream oil sectors.

Mr Linn spent 15 years working with EXXON/Mobil in both downstream and upstream assignments in the UK and USA before moving into the independent E & P oil sector working internationally for LASMO, Cairn Energy and Tullow in senior operational and business management roles.

Before joining ROC, Mr Linn was Operations Director for African Arabian Petroleum, a privately owned E & P company headquartered in Dubai. Based in Tunisia, Alan was responsible for all operational and engineering activities within the business' African focused portfolio.

Rolf Stork, BEng MBA, Chief Operating Officer

Mr Stork joined ROC in September 2011 as Chief Operating Officer. Mr Stork has over 30 years of experience in the upstream oil and gas industry. He is practiced in all facets of the industry, including exploration, development and production, and is experienced in both offshore and onshore environments. Mr Stork has extensive experience in South East Asia and the Subcontinent, as well as the UK and North America.

Mr Stork spent 17 years working for Origin Energy in various roles and assignments in Australia, followed by seven years with Cairn in India where he held the position of Director of Operations. Prior to joining ROC, he founded a consulting company to provide specialist services to the oil and gas sector. Mr Stork is also the Chief Executive Officer of BC Petroleum Sdh Bhd, a private company operating in Malaysia, in which ROC is a 48% shareholder. He is a member of the International Society of Petroleum Engineers (SPE).

Anthony Neilson, MBA BCom CA FFin, Chief Financial Officer

Mr Neilson joined ROC as Chief Financial Officer in 2007. He has 20 years experience in accounting and finance, including ten years in the upstream and downstream oil and gas industry. Prior to joining ROC, Mr Neilson held senior finance management roles in Caltex Australia, as well as working in banking for Credit Suisse First Boston and as a chartered accountant with Arthur Andersen.

Ron Morris, MSc (MEng) BSc (ASEng), President - Roc Oil (Bohai) Company

Mr Morris joined ROC in September 2008 as General Manager, Beibu Operations, and was appointed President, Roc Oil (Bohai) Company on 1 August 2009.

Mr Morris has over 30 years of International and North America experience working as a Petroleum Engineer with Chevon Texaco and OriOx Energy Associates Ltd in a number of Executive Management positions. He has worked in remote areas of Angola, China, Myanmar and Colombia as well as North Sea European and North American locations. He has extensive operational experience, both with new developments and existing fields. Prior to joining ROC, he worked for Momentum Energy as Director of Special Projects and Transition Services.

Mr Morris is a member of the International Society of Petroleum Engineers (SPE) and is past chairperson of the Aberdeen, Scotland and Shekou, China Sections and was a member of the UK and US SPE Councils.

Ms. Leanne Nolan, LLM LLB (Hons) BEc, Company Secretary and General Counsel

Ms Nolan joined ROC in March 1998. Prior to joining ROC, Ms Nolan has been Corporate Counsel at Ampolex Limited, an upstream oil and gas company, since 1993 and prior to that was employed as a solicitor with Freehills for four years.

Pierre Eliet, BA (Earth Science) PhD (Geology) FGS, General Manager - Exploration, Geoscience & Business Development

Dr Eliet joined ROC in September 2012 as General Manager Exploration, Geoscience and Business Development.

Dr Eliet previously worked for Total and Cairn Energy PLC across North Sea, South Asia, Atlantic margin, Greenland, Mediterranean assets and new ventures projects. He was closely associated with the Cairn deepwater Khrishna Godavari discoveries in Eastern India, the Cairn India Sri Lankan gas discoveries and the Rajasthan flagship Cairn discoveries of Mangala, Aishwaryia and Bhagyam. Dr Eliet has also worked on Cairn's Greenland acreage and most notably on the 2010 and 2011 Greenland drilling campaigns and 2D/3D seismic acquisition campaigns. Pierre's most recently worked on frontier basin new ventures for Cairn Energy.

Dr Eliet holds a BA in Earth Science from Trinity College, Dublin, Ireland and a PhD in Geology from Manchester University, UK. He is a Fellow of the Geological Society, London (FGS).

NOTARIAL CERTIFICATE

SYDNEY, State of NEW SOUTH WALES, AUSTRALIA

I, **PATRICIA VARNAVA** Notary Public, of 46 Market Street, Sydney practising in the City of Sydney and the State of New South Wales in the Commonwealth of Australia duly authorised, admitted and sworn **CERTIFY** that the 3 (three) documents annexed hereto and marked with the letters 'A' to 'C' respectively, each of which bears an impression on its first page of my official seal and annexed to this Notarial certificate bearing identical capital letters of the alphabet for identification purposes, are true and correct copies of the original documents which I have carefully inspected and now attest, namely:-

A. Certificate of Registration issued by ASIC to **ROC OIL PTY. LIMITED ACN 075 965 856** dated 14th day of October 1996;

B. Certificate of Registration on Change of Name issued by ASIC to **ROC OIL COMPANY LIMITED ACN 075 965 856** having changed its name from **ROC OIL PTY. LIMITED ACN 075 965 856** on 6th March 1997, dated 6th March 1997;

C. Constitution of **ROC OIL COMPANY LIMITED ACN 075 965 856**.

Full faith and credit should be given to the veracity and contents of the attached copied documents

IN FAITH AND TESTIMONY whereof I have hereunto set my hand and seal of office.

DATED at Sydney in the State of New South Wales, Australia this 14th day of May in the year Two Thousand and Thirteen.

....
Notary Public
Sydney, New South Wales, Australia
My appointment is not limited by time

Patricia Varnava- Notary Public
Suite 1004, Level 10, 46 Market Street, Sydney NSW 2000 Australia
T: (02) 9299 6463 F: (02) 9262 1741 Email: mccoyga@optusnet.com.au

Form **204**

CORPORATE NETWORK LIMITED
COMPANIES HOUSE
74-76 CAMPBELL ST
SYDNEY NSW 2000

remove this top section if desired before framing

AUSTRALIAN
SECURITIES
COMMISSION

Certificate of Registration of a Company

Corporations Law Sub-section 121(1)

This is to certify that

ROC OIL PTY. LIMITED

Australian Company Number 075 965 856

is a registered company under Division 1 of Part 2.2 of the Corporations Law of New South Wales and because of its registration it is an incorporated company.

The company is **limited by shares.**

The company is a **proprietary** company.

The day of commencement of registration is **the fourteenth day of October 1996.**

Given under the seal of the
Australian Securities Commission
on this fourteenth day of October, 1996.

AUSTRALIAN SECURITIES COMMISSION COMMON SEAL

Alan Cameron
Chairman

Form 244

GILBERT & TOBIN
LVL 4
50 CARRINGTON ST
SYDNEY NSW 2000

remove this top section if desired before framing

AUSTRALIAN SECURITIES COMMISSION

Certificate of Registration on Change of Name and Conversion to a Public Company

Corporations Law Sub-sections 171 (12) & 168 (3)

This is to certify that

ROC OIL PTY. LIMITED

Australian Company Number 075 965 856

did on the sixth day of March 1997 change its name and on the sixth day of March 1997 converted to a **public** company.

The new name of the company is

ROC OIL COMPANY LIMITED

Australian Company Number 075 965 856

The company is limited by shares.

The company is registered under the Corporations Law of New South Wales and the date of commencement of registration is the fourteenth day of October, 1996.

Given under the seal of the Australian Securities Commission on this sixth day of March, 1997.

AUSTRALIAN SECURITIES COMMISSION COMMON SEAL

Alan Cameron

Alau Cameron

GILBERT TOBIN

LAWYERS

CONSTITUTION

ROC OIL COMPANY LIMITED
ACN 075 965 856

(A public company limited by shares)

5/6/99.

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ROC OIL COMPANY LIMITED

ACN 075 965 856

A public company limited by shares

CONSTITUTION

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1. DICTIONARY

The Dictionary in Attachment A:

(a) defines some of the terms used in this constitution;

(b) sets out the rules of interpretation which apply to this constitution; and

(c) clarifies the effect of the *Corporations Law*, the Listing Rules and the SCH Business Rules on this constitution.

2. SHARE CAPITAL

2.1 Shares

(a) Subject to this constitution, the directors have the right to issue shares or grant options over unissued shares to any person and they may do so on the conditions they think fit.

(b) Shares referred to in paragraph (a) may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the company on a winding up or otherwise, as the directors think fit.

(c) This rule must not be construed so as to adversely affect any special rights of holders of any shares or class of shares.

(d) This rule is subject to the Listing Rules and the SCH Business Rules, whilst the company is a listed company.

2.2 Certificates

(a) Each member is entitled without payment to receive a certificate for shares issued as required under the *Corporations Law*, unless that member's shares are held as an uncertificated holding.

(b) The directors may determine:

(i) not to issue a certificate for a share; or

(ii) to cancel a certificate for a share, without issuing a replacement certificate,

if it is not contrary to the *Corporations Law*, the Listing Rules and the SCH Business Rules and the directors must so determine if required by the Listing Rules.

(c) Where the directors have determined under paragraph (b) not to issue a certificate or to cancel a certificate, a member is entitled to receive a statement of the holdings of the member setting out the number of shares and any other matter which the company is required to give under this constitution, the *Corporations Law*, the Listing Rules and the SCH Business Rules.

2.3 Preference shares

The company may issue preference shares from time to time. Preference shares have the following rights and restrictions:

(a) **repayment of capital**: the right in priority to any other class of shares to repayment of the amount paid on the preference share:

(i) in a winding up or reduction of capital; and

(ii) in the case of a redeemable preference share, on redemption;

dividends from profits: the right to payment out of the profits of the company of a cumulative preferential dividend in priority to the payment of a dividend on any other class of shares, accruing from day to day and payable on the amount paid on the preference share at the times and at the rate, which may be fixed or variable, specified or determined in the certificate for the preference share or the statement required by rule 2.2(c), if the preference share is held as an uncertificated holding;

(c) **accrued dividends**: the right in priority to any other class of shares to the amount of any dividend accrued but unpaid on the preference share:

(i) in a winding up or reduction of capital; and

(ii) in the case of a redeemable preference share, on redemption;

(d) **participation in surplus assets and profits**: no rights to participate in the profits or property of the company other than as set out in this rule 2.3 whether on a winding up, reduction of capital or, in the case of a redeemable preference share, on redemption;

(e) **attending general meetings and receiving documents**: the same right as the holder of an ordinary share to:

(i) receive notice of a general meeting;

(ii) attend the general meeting; and

(iii) receive notices, reports and audited accounts;

(f) **voting**: the right to vote in the following circumstances and in no other circumstances:

(i) on a proposal to wind up the company or reduce the share capital of the company or on a proposal for the disposal of the whole of the company's property, business and undertaking;

(ii) during a period during which a dividend or part of a dividend in respect of the preference share is in arrears;

(iii) on a resolution to approve the terms of a buy-back agreement;

(iv) on a proposal that affects rights attached to the preference share; or

(v) during the winding up of the company;

(g) **redemption**: in the case of a redeemable preference share the right to require the company to redeem the preference share at the time and place specified in the certificate for the preference share or the statement required by rule 2.2, if the preference share is held as an uncertificated holding; and

(h) **restrictions:** the restrictions, if any, specified in the certificate for the preference share or the statement required by rule 2.2, if the preference share is held as an uncertificated holding.

2.4 Joint holders of shares

Where two or more persons are registered as the holders of a share they hold it as joint tenants with rights of survivorship subject to the following provisions:

(a) the company is not bound to register more than three of those persons as joint holders of the share, except where otherwise required under the SCH Business Rules;

(b) each of those persons and their respective legal personal representatives are liable severally as well as jointly for all payments, including calls, which ought to be made in respect of the share;

(c) subject to paragraph (b), on the death of any one of them the company is entitled to recognise the survivor or survivors as the only person or persons who have any title to the share;

(d) any one of those persons may give effective receipts for any dividend, interest or other distribution or payment in respect of the share; and

(e) if the share is held as a certificated holding, the company is not bound to issue more than one certificate for the share and delivery of a certificate to any one of those persons is sufficient delivery to all of them.

2.5 Equitable interests in shares

(a) The company may treat the registered holder of a share as the absolute owner of that share.

(b) The company is not bound by or compelled in any way to recognise an equitable, contingent, future, partial or other right or interest in a share or unit of a share, even if the company has notice of that right or interest.

2.6 Restricted securities

(a) The holder of restricted securities must not dispose of those restricted securities during the escrow period relating to those restricted securities except as permitted by the Listing Rules or the Exchange.

(b) The company must refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period relating to those restricted securities except as permitted by the Listing Rules or the Exchange.

(c) A member holding restricted securities ceases to be entitled to any dividend, distribution or any voting rights in respect of those restricted securities during the period of a breach of the Listing Rules relating to the restricted securities, or a breach of a restriction agreement entered into by the company under the Listing Rules relating to the escrow of the restricted securities.

3. CALLS, FORFEITURE, INDEMNITIES, LIEN AND SURRENDER

3.1 Calls

(a) Subject to this constitution and to the terms on which any shares may be issued, the directors may make calls on the members for any money unpaid on their shares which is not by the terms of issue of those shares made payable at fixed times.

(b) When the directors issue shares they may differentiate between the holders as to the amount of calls to be paid and the times of payment.

(c) The directors may require a call to be paid by instalments.

(d) A member on whom a call is made must be given at least 30 business days' notice specifying:

  (i) the name of the member;

  (ii) the number of shares held by the member;

  (iii) the amount of the call;

  (iv) the due date for payment;

  (v) the consequences of a failure to pay the call; and

  (vi) all matters required to be included in the notice by the Listing Rules.

(e) A member on whom a call is made in accordance with this constitution must pay to the company the amount called on that member's shares at the time or times and place specified.

(f) A call is to be taken as having been made when the resolution of the directors authorising the call was passed.

(g) The directors may revoke a call or postpone a call.

(h) A call is not invalidated by the non-receipt of a notice of a call or the accidental omission to give notice of a call to any member.

(i) If a sum called on a share is not paid in full by the day appointed for payment, the person from whom the sum is due must pay:

  (i) interest on the unpaid amount from the date appointed for payment of the sum to the date of actual payment, at a rate determined under rule 3.9; and

  (ii) any costs, expenses or damages incurred by the company in relation to the non-payment or late payment of the sum.

(j) The directors may, to the extent permitted by law, waive or compromise all or any part of any payment due to the company under the terms of issue of a share or under this rule 3.1.

3.2 Proceedings for recovery of calls

(a) In an action or other proceedings for the recovery of a call, or interest or costs or expenses incurred in relation to the non-payment or late payment of a call, proof that:

  (i) the name of the defendant is entered in the register as the holder or one of the holders of the share in respect of which the call is claimed;

  (ii) the resolution making the call is recorded in the minute book; and

  (iii) notice of the call was given to the defendant in accordance with this constitution,

is conclusive evidence of the debt and it is not necessary to prove the appointment of the directors who made the call or any other matter.

(b) In paragraph (a), "defendant" includes a person against whom a set-off or counter-claim is alleged by the company and "proceedings for the recovery of a call" is to be construed accordingly.

3.3 Payments in advance of calls

(a) The directors may accept from a member the whole or a part of the amount unpaid on a share even though no part of that amount has been called.

(b) The directors may authorise payment by the company of interest upon the whole or any part of an amount accepted under paragraph (a), until the amount becomes payable, at a rate agreed between the directors and the member paying the amount.

(c) The directors may repay to a member all or any of the amount accepted under paragraph (a).

3.4 Forfeiture of partly paid shares

(a) If a member fails to pay the whole of a call or instalment of a call by the time appointed for payment of the call or instalment, the directors may serve a notice on that member requiring payment of the unpaid amount, together with any interest that has accrued and all costs, expenses or damages that may have been incurred by the company by reason of the non-payment or late payment of the call or instalment.

(b) A notice under paragraph (a) must name a place and a day for payment. The day must be at least 14 days after the date of service of the notice.

(c) The notice must state that the shares on which the call was made are liable to be forfeited if the whole amount payable is not paid by the time and at the place specified in the notice.

(d) The notice must comply with the Listing Rules and the SCH Business Rules, as applicable.

(e) If a member does not comply with a notice under paragraph (a), the shares to which the notice relates may be forfeited by a resolution of the directors. Forfeiture includes all dividends declared on the forfeited shares and not actually paid before the forfeiture.

(f) Where a share has been forfeited:

   (i) notice of the resolution must be given to the member in whose name the share was registered immediately before the forfeiture; and

   (ii) an entry of the forfeiture, with the date, must be made in the register of members.

(g) Failure to give the notice or to make the entry required under paragraph (f) does not invalidate the forfeiture.

(h) The directors may, in accordance with the Listing Rules and the SCH Business Rules:

(i) sell or otherwise dispose of a share which has been forfeited on the terms and in the manner the directors think appropriate;

(ii) at any time before a sale or disposal, cancel the forfeiture of a share on the terms the directors think appropriate; and

(iii) reissue a share which has been forfeited, with or without any money paid on the share by any former holder being credited as paid and on the other terms and in the manner the directors think appropriate.

(i) A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares, but remains liable to pay, and must immediately pay, to the company:

(i) all calls, instalments, interest, costs, expenses and damages owing in respect of the shares at the time of the forfeiture; and

(ii) interest on so much of the amount payable under paragraph (i)(i) as is unpaid from time to time, from the date of the forfeiture to the date of actual payment, at a rate determined under rule 3.9.

(j) The forfeiture of a share extinguishes all interest in, and all claims and demands against the company in respect of, the forfeited share and all other rights incident to the share, subject to this constitution and the Listing Rules.

(k) Subject to the Listing Rules, the directors may exempt a share from all or any part of this rule 3.4.

3.5 Indemnity for payments by the company

(a) A member or, if the member is dead, the member's legal personal representative, must indemnify the company against any liability which the company has under any law to make a payment for or on account of that member including in respect of:

(i) shares held by that member, solely or jointly;

(ii) a transfer or transmission of shares by a member; or

(iii) dividends, bonuses or other money owed to the member.

(b) Paragraph (a) includes, without limitation, a payment arising from:

(i) the death of that member;

(ii) the non-payment of any income tax, capital gains tax, wealth tax or other tax by that member or the legal personal representative of that member; or

(iii) the non-payment of any estate, probate, succession, death, stamp or other duty by that member or the legal personal representative of that member.

(c) The member or, if the member is dead, the member's legal personal representative, must pay to the company immediately on demand:

(i) the amount required to reimburse the company for a payment described in paragraph (a); and

(ii) interest on any part of that amount which is unpaid from the date the company makes the payment until the date the company is reimbursed in full for that payment, at a rate determined under rule 3.9.

(d) This rule is in addition to any right or remedy the company may have under the law which requires it to make the payment.

(e) The directors may:

(i) exempt a share from all or any part of this rule 3.5; and

(ii) waive or compromise all or any part of any payment due to the company under this rule 3.5.

3.6 Lien on shares

(a) The company has a first and paramount lien on:

(i) each partly paid share for all unpaid calls and instalments due but unpaid in respect of that share; and

(ii) each share for any amounts the company may be required by law to pay (and has paid) in respect of that share.

(b) The company's lien on a share extends to all dividends payable in respect of the share and to the proceeds of sale of the share.

(c) The directors may sell a share on which the company has a lien in any manner they think fit where:

(i) an amount in respect of which a lien exists under this rule 3.6 is presently payable; and

(ii) the company has, not less than 14 days before the date of the sale, given to the registered holder of the share a notice in writing demanding payment of that amount.

(d) A notice under paragraph (c) must:

(i) set out the amount in respect of which the lien exists that is presently payable; and

(ii) comply with the Listing Rules and the SCH Business Rules.

(e) The directors may do all things necessary or desirable under the Listing Rules or the SCH Business Rules to protect any lien, charge or other right to which the company may be entitled under any law or under this constitution.

(f) Registration by the company of a transfer of shares on which the company has a lien releases the company's lien in so far as it relates to sums owing by the transferor or any predecessor in title, without giving notice of its claim to the transferee.

(g) The directors may:

(i) exempt a share from all or any part of this rule 3.6; and

(ii) waive or compromise all or any part of any payment due to the company under this rule 3.6.

3.7 Surrender of shares

(a) The directors may accept a surrender of a share by way of compromise of any claim as to whether or not that share has been validly issued or in any other case where the surrender is within the powers of the company.

(b) Any share surrendered under paragraph (a) may be sold, reissued or otherwise disposed of in the same manner as a forfeited share.

3.8 General provisions applicable to a disposal of shares under this constitution

(a) A reference in rule 3.8 to a disposal of shares under this constitution is a reference to:

(i) any sale, reissue or other disposal of a forfeited share under rule 3.4(h) or a surrendered share under rule 3.7; and

(ii) any sale of a share on which the company has a lien under rule 3.6(c).

(b) Where any shares are disposed of under this constitution, the directors may:

(i) receive the purchase money or consideration given for the shares on the disposal;

(ii) effect a transfer of the shares and, if necessary, execute, or appoint a person to execute, on behalf of the former holder an instrument of transfer of the shares or any other instrument for the purpose of giving effect to the disposal; and

(iii) register as the holder of the shares the person to whom the shares have been disposed of.

(c) In the case of shares held as an uncertificated holding, the company must do all things necessary or appropriate for it to do under the SCH Business Rules to effect a disposal of shares under this constitution.

(d) The title of a person to whom shares are disposed of under this constitution is not affected by an irregularity or invalidity in connection with that disposal.

(e) The remedy of any person aggrieved by a disposal of shares under this constitution is limited to damages only and is against the company exclusively.

(f) The proceeds of a disposal of shares under this constitution must be applied in the payment of:

(i) first, the expenses of the disposal;

(ii) secondly, all money presently payable by the former holder whose shares have been disposed of; and

(iii) finally, but subject to any lien under rule 3.6 for money not presently payable, any remaining proceeds must be paid to the former holder as soon as practicable. In the case of a certificated holding, the former holder must first deliver to the company the certificate for the shares that have been disposed of or any other proof of title as the directors may accept.

(g) A statement in writing signed by a director or secretary of the company to the effect that a share in the company has been:

(i) duly forfeited under rule 3.4(e);

(ii) duly sold, reissued or otherwise disposed of under rule 3.4(h) or 3.7; or

(iii) duly sold under rule 3.6(c),

on a date stated in the statement is conclusive evidence of the facts stated in the statement as against all persons claiming to be entitled to the share and of the right of the company to forfeit, sell, reissue or otherwise dispose of the share.

3.9 Interest payable by member

(a) For the purposes of rules 3.1(i)(i), 3.4(i)(ii) and 3.5(c)(ii), the rate of interest payable to the company is:

(i) if the directors have fixed a rate, the rate so fixed; or

(ii) in any other case, 10% per annum.

(b) Interest payable under rules 3.1(i)(i), 3.4(i)(ii) and 3.5(c)(ii) accrues daily and may be capitalised monthly or at other intervals the directors think fit.

4. TRANSFER AND TRANSMISSION OF SHARES

4.1 Transfer of shares

(a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, a member may transfer all or any of the member's shares by:

(i) a proper SCH transfer; or

(ii) an instrument in writing in any usual form or in any other form that the directors approve.

(b) A transferor of shares remains the holder of the shares transferred until the transfer is:

(i) effected in accordance with the SCH Business Rules; or

(ii) registered and the name of the transferee is entered in the register of members in respect of the shares.

(c) The company must not charge a fee for the registration of a transfer of shares.

(d) An instrument of transfer referred to in paragraph (a)(ii) must be signed by or on behalf of both the transferor and the transferee unless the transfer:

(i) relates only to fully paid shares and signature by the transferee has been dispensed with by the directors; or

(ii) is a sufficient transfer of marketable securities for the purposes of the *Corporations Law*.

(e) An instrument of transfer referred to in paragraph (a)(ii) must be duly stamped if required by law to be stamped.

(f) An instrument of transfer referred to in paragraph (a)(ii) must be left for registration at the registered office of the company, or at such other place as the directors determine, accompanied by any evidence which the directors require to prove the title of the transferor or the transferor's right to the shares including the share certificate, if any, and to prove the right of the transferee to be registered as the owner of the shares.

(g) Subject to the powers vested in the directors under rules 4.2 and 4.3, where the company receives an instrument of transfer complying with paragraphs (d), (e) and (f), the

company must register the transferee named in the instrument as the holder of the shares to which it relates.

(h) The company may retain any registered instrument of transfer received by the company under paragraph (f) for any period the directors think fit.

(i) Except in the case of fraud, the company must return any instrument of transfer received under paragraph (f) which the directors decline to register to the person who deposited it with the company.

(j) The directors may do anything that is necessary or desirable for the company to participate in any computerised, electronic or other system for facilitating the transfer of shares that may be owned, operated or sponsored by the Exchange or a related body corporate of the Exchange.

(k) The directors may, to the extent permitted by law and the Listing Rules, waive all or any of the requirements of rule 4.1, whether for the purpose of giving effect to paragraph (j) or otherwise.

4.2 Power to decline registration of transfers

(a) The company may ask SCH to apply a holding lock to prevent a proper SCH transfer or may decline to register an instrument of transfer received under rule 4.1(f):

(i) in the circumstances permitted under the Listing Rules or SCH Business Rules, as applicable; or

(ii) where the transfer is not in registrable form.

(b) Subject to paragraphs (c) and (d), the company must give written notice of the refusal, or the request for a holding lock, and the precise reasons for it:

(i) to the holder of the shares, if the company asks SCH to apply a holding lock to prevent a proper SCH transfer; or

(ii) to the party lodging the transfer, if the company declines to register any other transfer.

(c) A notice under paragraph (b) must be given within five business days after:

(i) the company requests the holding lock, in the case of a proper SCH transfer; or

4. TRANSFER AND TRANSMISSION OF SHARES

4.1 Transfer of shares

(a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, a member may transfer all or any of the member's shares by:

(i) a proper SCH transfer; or

(ii) an instrument in writing in any usual form or in any other form that the directors approve.

(b) A transferor of shares remains the holder of the shares transferred until the transfer is:

(i) effected in accordance with the SCH Business Rules; or

(ii) registered and the name of the transferee is entered in the register of members in respect of the shares.

(c) The company must not charge a fee for the registration of a transfer of shares.

(d) An instrument of transfer referred to in paragraph (a)(ii) must be signed by or on behalf of both the transferor and the transferee unless the transfer:

(i) relates only to fully paid shares and signature by the transferee has been dispensed with by the directors; or

(ii) is a sufficient transfer of marketable securities for the purposes of the *Corporations Law*.

(e) An instrument of transfer referred to in paragraph (a)(ii) must be duly stamped if required by law to be stamped.

(f) An instrument of transfer referred to in paragraph (a)(ii) must be left for registration at the registered office of the company, or at such other place as the directors determine, accompanied by any evidence which the directors require to prove the title of the transferor or the transferor's right to the shares including the share certificate, if any, and to prove the right of the transferee to be registered as the owner of the shares.

(g) Subject to the powers vested in the directors under rules 4.2 and 4.3, where the company receives an instrument of transfer complying with paragraphs (d), (e) and (f), the

company must register the transferee named in the instrument as the holder of the shares to which it relates.

(h) The company may retain any registered instrument of transfer received by the company under paragraph (f) for any period the directors think fit.

(i) Except in the case of fraud, the company must return any instrument of transfer received under paragraph (f) which the directors decline to register to the person who deposited it with the company.

(j) The directors may do anything that is necessary or desirable for the company to participate in any computerised, electronic or other system for facilitating the transfer of shares that may be owned, operated or sponsored by the Exchange or a related body corporate of the Exchange.

(k) The directors may, to the extent permitted by law and the Listing Rules, waive all or any of the requirements of rule 4.1, whether for the purpose of giving effect to paragraph (j) or otherwise.

4.2 Power to decline registration of transfers

(a) The company may ask SCH to apply a holding lock to prevent a proper SCH transfer or may decline to register an instrument of transfer received under rule 4.1(f):

(i) in the circumstances permitted under the Listing Rules or SCH Business Rules, as applicable; or

(ii) where the transfer is not in registrable form.

(b) Subject to paragraphs (c) and (d), the company must give written notice of the refusal, or the request for a holding lock, and the precise reasons for it:

(i) to the holder of the shares, if the company asks SCH to apply a holding lock to prevent a proper SCH transfer; or

(ii) to the party lodging the transfer, if the company declines to register any other transfer.

(c) A notice under paragraph (b) must be given within five business days after:

(i) the company requests the holding lock, in the case of a proper SCH transfer; or

(ii) the date the transfer was lodged with the company, in any other case.

(d) The company's decision to decline to register the transfer or to apply for a holding lock is not invalidated if the company fails to give a notice under paragraph (b).

4.3 Transmission of shares

(a) In the case of the death of a member, the only persons the company will recognise as having any title to the member's shares or any benefits accruing in respect of those shares are:

(i) the legal personal representative of the deceased where the deceased was a sole holder; and

(ii) the survivor or survivors where the deceased was a joint holder.

(b) Nothing in paragraph (a) releases the estate of a deceased member from any liability in respect of a share, whether that share was held by the deceased solely or jointly with other persons.

(c) A person who becomes entitled to a share as a result of a transmission event may elect:

(i) to be registered as the holder of the share by signing and serving on the company a notice in writing stating that election; or

(ii) to have some other person nominated by that person registered as the transferee of the share by executing or otherwise effecting a transfer of the share to that other person,

after producing any evidence the directors require to prove that person's entitlement to the share, including the certificate for the share in the case of a certificated holding.

(d) The provisions of this constitution relating to the right to transfer, and the registration of transfers of, shares apply, so far as they can and with such changes as are necessary, to any transfer under paragraph (c)(ii) as if the relevant transmission event had not occurred and the transfer were executed or effected by the registered holder of the share.

(e) If two or more persons become jointly entitled to a share under a transmission event, on registration as the holders of the share, those persons are taken to hold the share as joint tenants subject to rule 2.4.

(f) Despite paragraph (a), the directors may register a transfer of shares signed by a member before a transmission event even though the company has notice of the transmission event.

5. GENERAL MEETINGS

5.1 Convening of general meetings

(a) A general meeting may be convened by:

- (i) a director, while the company is a listed company;
- (ii) the directors by resolution of the board; or
- (iii) members or the court in accordance with sections 249E, 249F and 249G of the *Corporations Law*.

(b) A general meeting must be convened by the directors in accordance with section 249D of the *Corporations Law*.

(c) Subject to paragraph (e), the directors may postpone, cancel or change the venue for a general meeting by giving notice not later than five business days before the time at which the general meeting was to be held:

- (i) to each person who is at the date of the notice:
  - A. a member;
  - B. a director; or
  - C. an auditor of the company; and
- (ii) while the company is a listed company, to the Exchange.

(d) A notice postponing or changing the venue for a general meeting must specify the date, time and place of the general meeting.

(e) A general meeting convened under section 249D of the *Corporations Law* may not be postponed beyond the date by which section 249D requires it to be held and may not be cancelled without the consent of the member or members who requested it.

5.2 Notice of general meetings

(a) Subjcct to this constitution and to the rights or restrictions attached to any shares or class of shares, notice of a general meeting must be given within the time limits prescribed by the *Corporations Law* and in the manner authorised by rule 13.1 to each person who is at the date of the notice:

(i) a member;

(ii) a director; or

(iii) an auditor of the company,

and, while the company is a listed company, notice must be given to the Exchange within the time limits prescribed by the Listing Rules.

(b) A notice of a general meeting must specify the date, time and place of the meeting and, except as provided in paragraph (c), state the general nature of the business to be transacted at the meeting and any other matters required under the *Corporations Law*.

(c) It is not necessary for a notice of an AGM to state that the business to be transacted at the meeting includes the consideration of the annual financial report and the reports of the directors and auditor, the election of directors or the appointment or fixing of the remuneration of the auditor of the company.

(d) A person may waive notice of any general meeting by notice in writing to the company.

(e) The non-receipt of notice of a general meeting or proxy form by, or a failure to give notice of a general meeting or a proxy form to, any person entitled to receive notice of a general meeting under this rule 5.2 does not invalidate any act, matter or thing done or resolution passed at the general meeting if:

(i) the non-receipt or failure occurred by accident or error; or

(ii) before or after the meeting, the person:

A. has waived or waives notice of that meeting under paragraph (d); or

B. has notified or notifies the company of the person's agreement to that act, matter, thing or resolution by notice in writing to the company.

(f) A person's attendance at a general meeting:

(i) waives any objection that person may have to a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and

(ii) waives any objection that person may have to the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting or in paragraph (c), unless the person objects to considering the matter when it is presented.

5.3 Admission to general meetings

(a) The chair of a general meeting may refuse admission to a person, or require that person to leave and remain out of the meeting, if that person:

(i) has a camera, tape recorder or video camera, or another audio or visual recording device;

(ii) has a placard or banner;

(iii) has an article which the chair considers to be dangerous, offensive or liable to cause disruption;

(iv) refuses to produce or to permit examination of any article, or the contents of any article, in the person's possession;

(v) behaves or threatens to behave in a dangerous, offensive or disruptive manner; or

(vi) is not:

A. a member or a proxy, attorney or representative of a member;

B. a director; or

C. an auditor of the company.

(b) A person requested by the directors or the chair to attend a general meeting is entitled to be present, whether the person is a member or not.

5.4 Quorum at general meetings

(a) No business may be transacted at any general meeting, except the election of a chair and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business and remains present throughout the meeting.

(b) A quorum consists of:

(i) if the number of members entitled to vote is two or more - two of those members; or

(ii) if only one member is entitled to vote - that member,

present at the meeting.

(c) If a quorum is not present within 30 minutes after the time appointed for a general meeting:

(i) where the meeting was convened by, or at the request of, a member or members, the meeting must be dissolved; or

(ii) in any other case:

A. the meeting stands adjourned to such day, and at such time and place, as the directors determine or, if no determination is made by the directors, to the same day in the next week at the same time and place; and

B. if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting must be dissolved.

5.5 Chair of general meetings

(a) The chair of directors must preside as chair at each general meeting if present within 15 minutes after the time appointed for the meeting and willing to act.

(b) If at a general meeting:

(i) there is no chair of directors;

(ii) the chair of directors is not present within 15 minutes after the time appointed for the meeting; or

(iii) the chair of directors is present within that time but is not willing to act as chair of the meeting,

the directors present may elect a person present to chair the meeting.

(c) Subject to paragraph (a), if at a general meeting:

(i) a chair has not been previously elected by the directors; or

(ii) a previously elected chair is not available or is not willing to act as a chair of the meeting (or part of the meeting),

the members present must elect as chair of the meeting another person who is present and willing to act.

5.6 Conduct of general meetings

(a) The chair of a general meeting is responsible for the general conduct of the meeting and for the procedures to be adopted at the meeting and may require the adoption of any procedures which are in his or her opinion necessary or desirable for:

(i) proper and orderly debate or discussion, including limiting the time that a person present may speak on a motion or other item of business before the meeting; and

(ii) the proper and orderly casting or recording of votes at the general meeting, whether on a show of hands or on a poll, including the appointment of scrutineers.

(b) Subject to sections 250S and 250T of the *Corporations Law*, the chair of a general meeting may at any time he or she considers it necessary or desirable for the proper and orderly conduct of the meeting:

(i) terminate debate or discussion on any business, question, motion or resolution being considered by the meeting and require the business, question, motion or resolution to be put to a vote of the members present; or

(ii) allow debate or discussion on any business, question, motion or resolution being considered by the meeting to continue.

(c) Subject to sections 250S and 250T of the *Corporations Law*, the chair of a general meeting may:

(i) refuse to allow debate or discussion on any business, question, motion or resolution which is not within the business referred to in the notice of meeting or rule 5.2(c); and

(ii) refuse to allow any amendment to be moved to a resolution of which notice has been given under rule 5.2(a).

(d) A decision by a chair under paragraphs (a), (b) or (c) is final.

(e) The chair of a general meeting may at any time during the course of the meeting adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting.

(f) If the chair exercises his or her right under paragraph (e), it is in the chair's sole discretion whether to seek the approval of the members present to the adjournment.

(g) If the chair does seek the members' approval, the chair must adjourn the meeting if the members present with a majority of votes agree or direct that the chair must do so.

(h) The chair's rights under paragraph (e) are exclusive and, unless otherwise required by the chair, no vote may be taken or demanded by the members present in respect of any adjournment.

(i) No business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(j) Where a meeting is adjourned, notice of the adjourned meeting must be given to the Exchange, but need not be given to any other person.

(k) Where a meeting is adjourned, the directors may, by notice to the Exchange, postpone, cancel or change the venue of the adjourned meeting but a general meeting convened under s249D of the *Corporations Law* may not be postponed beyond the date by which s249D requires it to be held and may not be cancelled without the consent of the member or members who requested it.

5.7 Decisions at general meetings

(a) Except in the case of any resolution which as a matter of law or the Listing Rules requires a special majority, questions arising at a general meeting are to be decided by a majority

of votes cast by the members present at the meeting and any such decision is for all purposes a decision of the members.

(b) In the case of an equality of votes upon any proposed resolution, the chair of the meeting has a casting vote in addition to any vote the chair has in his or her capacity as a member.

(c) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded before a vote by show of hands is taken or before or immediately after the declaration of the result of the show of hands:

(i) by the chair of the meeting;

(ii) by at least five members present and entitled to vote on the relevant resolution; or

(iii) by a member or members present at the meeting and representing at least 5% of the votes that may be cast on the resolution on a poll.

(d) A demand for a poll does not prevent the continuance of a general meeting for the transaction of any business other than the question on which the poll has been demanded.

(e) Unless a poll is duly demanded, a declaration by the chair of a general meeting that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(f) If a poll is duly demanded at a general meeting, it will be taken when and in the manner the chair of the meeting directs, and the result of the poll will be the resolution of the meeting at which the poll was demanded.

(g) A poll cannot be demanded at a general meeting on the election of a chair of the meeting.

(h) The demand for a poll may be withdrawn.

5.8 Voting rights

(a) Subject to this constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:

(i) on a show of hands, every member present has one vote;

(ii) on a poll, every member present has:

A. one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and

B. a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share; and

(iii) for the purposes of paragraph (a)(ii)B, an amount paid on a share in advance of a call is to be ignored.

(b) Where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, the following rules apply to a vote taken on a show of hands:

(i) the person is entitled to one vote only despite the number of members the person represents; and

(ii) the person's vote will be taken as having been cast for all the members the person represents.

(c) A joint holder may vote at any meeting in person or by proxy, attorney or representative as if that person was the sole holder. If more than one joint holder tenders a vote, the vote of the holder named first in the register must be accepted to the exclusion of the other or others.

(d) The parent or guardian of an infant member may vote at a general meeting on evidence being produced of the relationship or of the appointment of the guardian as the directors may require and any vote so tendered by a parent or guardian of an infant member must be accepted to the exclusion of the vote of the infant member.

(e) A person entitled to a share as a result of a transmission event may vote at a general meeting in respect of that share in the same manner as if that person were the registered holder of the share if, not less than 48 hours before the meeting, the directors have:

(i) admitted that person's right to vote at that meeting in respect of the share; or

and in respect of

(ii) been satisfied of that person's right to be registered as the holder of, or to transfer, the share under rule 4.3(c),

and any vote tendered by that person must be accepted to the exclusion of the vote of the registered holder of the share.

(f) Where a member holds any share on which any call due and payable to the company has not been duly paid:

(i) that member is only entitled to be present at a general meeting and vote if other shares are held by that member on which no call is then due and payable; and

(ii) upon a poll, that member is not entitled to vote in respect of that share but may vote in respect of any other shares held upon which no call is then due and payable.

(g) An objection to the qualification of a person to vote at a general meeting:

(i) must be raised before or immediately after the result of the motion on which the vote objected to is given or tendered; and

(ii) must be referred to the chair of the meeting, whose decision is final.

(h) A vote not disallowed by the chair of a meeting under paragraph (g) is valid for all purposes.

5.9 Representation at general meetings

(a) Subject to this constitution, each member entitled to vote at a meeting of members may vote:

(i) in person or, where a member is a body corporate, by its representative;

(ii) by proxy or, if the member is entitled to cast two or more votes at the meeting, by not more than two proxies; or

(iii) by not more than two attorneys.

(b) A proxy, attorney or representative may be a member of the company but does not have to be a member.

(c) A proxy, attorney or representative may be appointed for all general meetings, or for any number of general meetings, or for a particular general meeting.

(d) Unless otherwise provided in the *Corporations Law* or in the appointment, an appointment of a proxy, attorney or representative will be taken to confer authority:

(i) to agree to a meeting being convened by shorter notice than is required by the *Corporations Law* or by this constitution;

(ii) to speak to any proposed resolution on which the proxy, attorney or representative may vote;

(iii) to demand or join in demanding a poll on any resolution on which the proxy, attorney or representative may vote;

(iv) even though the appointment may refer to specific resolutions and may direct the proxy, attorney or representative how to vote on those resolutions:

A. to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;

B. to vote on any procedural motion, including any motion to elect the chair, to vacate the chair or to adjourn the meeting; and

C. to act generally at the meeting; and

(v) even though the appointment may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the re-scheduled or adjourned meeting or at the new venue.

(e) The chair of a meeting may require any person purporting to act as a proxy, attorney or representative to establish to the satisfaction of the chair that the person has been validly appointed as a proxy, attorney or representative and is the person named in the relevant instrument of appointment, failing which the person may be excluded from attending or voting at the meeting.

(f) Where a member appoints two proxies or attorneys to vote at the same general meeting and the authority of one is not conditional on the other failing to attend or vote, the following rules apply:

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(i) where the appointment does not specify the proportion or number of the member's votes each proxy or attorney may exercise, each proxy or attorney may exercise half of the member's votes;

(ii) on a show of hands, neither proxy or attorney may vote; and

(iii) on a poll, each proxy or attorney may only exercise the voting rights the proxy or attorney represents.

(g) An instrument appointing a proxy or attorney may direct the manner in which the proxy or attorney is to vote in respect of a particular resolution and, where an instrument so provides, the proxy or attorney is not entitled to vote on the proposed resolution except as directed in the instrument.

(h) A proxy or attorney may not vote at a general meeting or adjourned meeting unless the instrument appointing the proxy or attorney, and the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed, are received:

(i) at the registered office of the company, the fax number at its registered office or at another place, fax number or electronic address specified for that purpose in the notice convening the meeting; and

(ii) by the time specified in the notice of meeting.

(i) A vote given in accordance with the terms of an instrument appointing a proxy or attorney is valid despite:

(i) a transmission event occurring in relation to the appointer; or

(ii) the revocation of the instrument or of the authority under which the instrument was executed,

if no notice in writing of the transmission event or revocation has been received by the company by the time and at one of the places at or in the manner in which the instrument appointing the proxy or attorney is required to be received under paragraph (h).

(j) A vote given in accordance with the terms of an instrument appointing a proxy or attorney is valid despite the transfer of the share in respect of which the instrument was given if the transfer is not registered by the time at which the instrument appointing the proxy or attorney is required to be received under paragraph (h).

(k) The appointment of a proxy or attorney is not revoked by the appointer attending and taking part in the general meeting but, if the appointer votes on any resolution, the proxy or attorney is not entitled to vote, and must not vote, as the appointer's proxy or attorney on the resolution.

(l) The company must include with a notice of meeting a proxy form which must provide for the appointer:

(i) to vote for or against each resolution; and

(ii) to appoint proxies of the appointer's choice, but may specify who is to be appointed as proxy if the appointer does not choose.

6. DIRECTORS

6.1 Appointment and removal of directors

(a) The minimum number of directors is three. The maximum number of directors is to be fixed by the directors, but must not be more than 12 unless the company in general meeting determines otherwise. The directors must not determine a maximum which is less than the number of directors in office at the time the determination takes effect.

(b) The directors in office on the date that this constitution was adopted by the company continue in office but on the terms and conditions set out in this constitution.

(c) Subject to paragraphs (a) and (m), the company may by resolution elect any natural person to be a director, either as an addition to the existing directors or as otherwise provided in this constitution.

(d) Subject to paragraph (a), the directors may appoint any natural person to be a director, either as an addition to the existing directors or to fill a casual vacancy (including any casual vacancy arising where a director is removed from office under paragraph (k) and no person is appointed in place of that director under paragraph (k)(ii)).

(e) A director, other than the managing director (or, if there is more than one managing director, the first of them to be appointed), appointed under paragraph (d) must retire from office at the next AGM following his or her appointment.

(f) An election of directors must take place each year and at that meeting:

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(i) excluding any director who is required to retire at that meeting under paragraph (e) and the managing director or, if there is more than one managing director, the first of them to be appointed:

A. one-third of the remaining directors (rounded down, if necessary, to the nearest whole number); and

B. any other director who, if he or she does not retire, will at the conclusion of the meeting have been in office for three or more years or for three or more AGMs since he or she was last elected to office,

must retire from office as directors; and

(ii) if no director is required to retire under paragraph (e) or (f)(i), at least one director, excluding the managing director (or if there is more than one managing director, the first of them to be appointed), must retire from office as a director.

(g) The director or directors who must retire at a meeting in accordance with paragraph (f)(i)(A) or (f)(ii) (as the case may be) is the director who has, or are the directors who have, been longest in office since their last election but, as between persons who were last elected as directors on the same day, the director or directors to retire must be determined by agreement among themselves or, in the absence of agreement, by lot.

(h) Subject to paragraph (m), the company may by resolution fill the office vacated by a director under paragraph (e) or (f) by electing a person to that office.

(i) A director retiring from office under paragraph (e) or (f) is eligible for re-election and that director may by resolution of the company be re-elected to that office.

(j) The retirement of a director from office under paragraph (e) or (f) and the re-election of the director or the election of another person to that office (as the case may be) takes effect at the conclusion of the meeting at which the retirement and re-election or election occur.

(k) The company may:

(i) by resolution in accordance with section 227 of the *Corporations Law* remove a director from office; and

(ii) subject to paragraph (m), by resolution fill the office vacated by a director who is removed under paragraph (k)(i) by electing another person to that office.

(l) A person elected as a director under paragraph (k)(ii) must retire under paragraph (e) or (f) (as the case may be) on the same day that the director in whose place he or she was appointed would have had to retire under paragraph (e) or (f) if that director had not been removed from office under paragraph (k)(i).

(m) A person may only be elected to the office of a director at a general meeting if:

(i) he or she is a director retiring from office under paragraph (e) or (f) and standing for re-election at that meeting;

(ii) he or she has been nominated by the directors for election at that meeting;

(iii) if the person is a member, he or she has at least 30 business days before the meeting served on the company a notice signed by him or her signifying his or her desire to be a candidate for election at that meeting; or

(iv) whether or not the person is a member, some member intending to nominate him or her for election at that meeting has at least 30 business days before the meeting served on the company a notice signed by the member and signifying the member's intention to nominate the person for election, which is accompanied by a notice signed by the person and signifying his or her consent to the nomination.

6.2 Vacation of office

In addition to the circumstances prescribed by the *Corporations Law* or by the terms of a director's appointment, the office of a director becomes vacant if the director:

(a) becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;

(b) becomes bankrupt or insolvent or makes any arrangement or composition with his or her creditors generally;

(c) is convicted of an indictable offence and the directors do not within one month of that conviction resolve to confirm the director's appointment or election (as the case may be) to the office of director;

(d) fails to attend meetings of the directors for more than three consecutive months without leave of absence from the directors; or

(e) resigns by notice in writing to the company.

6.3 Remuneration of directors

(a) Each director is entitled to the remuneration out of the funds of the company as the directors determine, but the remuneration of non-executive directors may not exceed in total in any year the amount fixed by the company in general meeting for that purpose.

(b) The remuneration of directors:

(i) may be a stated salary or a fixed sum for attendance at each meeting of directors or both; or

(ii) may be a share of a fixed sum determined by the company in general meeting to be the remuneration payable to all directors which is to be divided between the directors in the proportions agreed between them or, failing agreement, equally,

and if it is a stated salary under paragraph (b)(i) or a share of a fixed sum under paragraph (b)(ii), will be taken to accrue from day to day.

(c) The remuneration payable by the company to a non-executive director must not include a commission on, or percentage of, profits or operating revenue.

(d) In addition to their remuneration under paragraph (a), the directors are entitled to be paid all travelling and other expenses properly incurred by them in connection with the affairs of the company, including attending and returning from general meetings of the company or meetings of the directors or of committees of the directors.

(e) If a director renders or is called on to perform extra services or to make any special exertions in connection with the affairs of the company, the directors may arrange for a special remuneration to be paid to that director, either in addition to or in substitution for that director's remuneration under paragraph (a).

(f) Nothing in paragraph (a) restricts the remuneration to which a director may be entitled as an officer of the company or of a related body corporate in a capacity other than director, which may be either in addition to or in substitution for that director's remuneration under paragraph (a).

(g) The directors may, subject to the Listing Rules and the *Corporations Law*:

(i) at any time after a director dies or otherwise ceases to hold office as a director, pay to the director or a legal personal representative, spouse, relative or dependant of the director, in addition to the remuneration of that director under paragraph

(a), a pension or lump sum payment for past services rendered by that director; and

(ii) cause the company to enter into a contract with the director for the purpose of providing for or giving effect to that payment.

(h) The directors may establish or support, or assist in the establishment or support of, funds and trusts to provide pension, retirement, superannuation or similar payments or benefits to or in respect of the directors or former directors.

6.4 Share qualification

(a) A director is not required to hold any shares in the company to qualify for appointment.

(b) A director who is not a member of the company is nevertheless entitled to attend and speak at general meetings.

6.5 Interested directors

(a) A director may hold any other office or place of profit, other than auditor, in the company or a related body corporate in conjunction with his or her directorship. A director may be appointed to that office or place of profit on the terms as to remuneration, tenure of office and otherwise as the directors think fit.

(b) A director of the company may be a director or other officer of:

(i) a related body corporate;

(ii) a body corporate promoted by the company; or

(iii) a body corporate in which the company is interested, as shareholder or otherwise,

or be otherwise interested in any of those bodies corporate. A director is not accountable to the company for any remuneration or other benefits received by the director as a director or officer of that body corporate or from having an interest in that body corporate.

(c) The directors may exercise the voting rights conferred by shares in any body corporate held or owned by the company as the directors think fit. This includes voting in favour of any resolution appointing a director as a director or other officer of that body corporate, or voting for the payment of remuneration to the directors or other officers of that body

corporate. A director may, if permitted by law, vote in favour of the exercise of those voting rights even if he or she is, or may be about to be appointed, a director or other officer of that other body corporate.

(d) A director is not disqualified merely because of being a director from contracting with the company in any respect including, without limitation:

(i) selling any property to, or purchasing any property from, the company;

(ii) lending any money to, or borrowing any money from, the company with or without interest and with or without security;

(iii) guaranteeing the repayment of any money borrowed by the company for a commission or profit;

(iv) underwriting or guaranteeing the subscription for securities in the company or in a related body corporate or any other body corporate promoted by the company or in which the company may be interested as a shareholder or otherwise, for a commission or profit; or

(v) being employed by the company or acting in any professional capacity, other than auditor, on behalf of the company.

(e) No contract made by a director with the company and no contract or arrangement entered into by or on behalf of the company in which any director may be in any way interested is avoided or rendered voidable merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.

(f) No director contracting with the company or being interested in any arrangement involving the company is liable to account to the company for any profit realised by or under a contract or arrangement of that kind merely because the director holds office as a director or because of the fiduciary obligations arising out of that office.

(g) Subject to paragraph (h), a director who is in any way interested in a contract or arrangement or proposed contract or arrangement may, despite that interest:

(i) be counted in determining whether or not a quorum is present at any meeting of directors considering that contract or arrangement or proposed contract or arrangement;

(ii) sign or countersign any document relating to that contract or arrangement or proposed contract or arrangement to which the seal is affixed; and

(iii) vote in respect of the contract or arrangement or proposed contract or arrangement or any matter arising out of those things.

(h) Paragraph (g) does not apply if, and to the extent that, it would be contrary to the *Corporations Law* or the Listing Rules.

(i) The directors may make regulations requiring the disclosure of interests that a director, and any person deemed by the directors to be related to or associated with the director, may have in any matter concerning the company or a related body corporate. Any regulations made under this rule bind all directors.

6.6 Powers and duties of directors

(a) The directors are responsible for managing the business of the company and may exercise to the exclusion of the company in general meeting all the powers of the company which are not required, by the *Corporations Law*, this constitution or, while the company is a listed company, the Listing Rules, to be exercised by the company in general meeting.

(b) Without limiting the generality of paragraph 6.6(a), the directors may exercise all the powers of the company to borrow or otherwise raise money, to charge any property or business of the company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the company or of any other person.

(c) The directors may determine how cheques, promissory notes, bankers drafts, bills of exchange or other negotiable instruments or other documents must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by or on behalf of the company.

(d) The directors may pay out of the company's funds all expenses of the promotion, formation and registration of the company and the vesting in it of the assets acquired by it.

(e) The directors may:

(i) appoint or employ any person to be an officer, agent or attorney of the company for such purposes with such powers, discretions and duties (including powers,

discretions and duties vested in or exercisable by the directors), for such period and upon such conditions as they think fit;

(ii) authorise an officer, agent or attorney to delegate all or any of the powers, discretions and duties vested in the officer, agent or attorney; and

(iii) subject to any contract between the company and the relevant officer, agent or attorney, remove or dismiss any officer, agent or attorney of the company at any time, with or without cause.

(f) A power of attorney may contain such provisions for the protection and convenience of the attorney or persons dealing with the attorney as the directors think fit.

6.7 Proceedings of directors

(a) The directors may hold meetings for the despatch of business and adjourn and otherwise regulate their meetings as they think fit.

(b) Subject to the *Corporations Law*, the contemporaneous linking together by a form of technology of a number of the directors sufficient to constitute a quorum, constitutes a meeting of the directors and all the provisions in this constitution relating to meetings of the directors apply, so far as they can and with such changes as are necessary, to meetings of the directors held using a form of technology.

6.8 Convening of meetings of directors

(a) A director may, whenever the director thinks fit, convene a meeting of the directors.

(b) A secretary must, on the requisition of a director, convene a meeting of the directors.

6.9 Notice of meetings of directors

(a) Subject to this constitution, notice of a meeting of directors must be given to each person who is at the time of giving the notice:

(i) a director, other than a director on leave of absence approved by the directors; or

(ii) an alternate director appointed under rule 6.14 by a director on leave of absence approved by the directors.

(b) A notice of a meeting of directors:

(i) must specify the time and place of, or form of technology for, the meeting;

(ii) need not state the nature of the business to be transacted at the meeting;

(iii) may be given in person, by post or, subject to the *Corporations Law*, by a form of technology; and

(iv) will be taken to have been given to an alternate director if it is given to the director who appointed that alternate director.

(c) A director or alternate director may waive notice of a meeting of directors by notifying the company to that effect in person, by post or by a form of technology.

(d) The non-receipt of notice of a meeting of directors by, or a failure to give notice of a meeting of directors to, a director does not invalidate any act, matter or thing done or resolution passed at the meeting if:

(i) the non-receipt or failure occurred by accident or error;

(ii) before or after the meeting, the director or an alternate director appointed by the director:

A. has waived or waives notice of that meeting under paragraph (c); or

B. has notified or notifies the company of his or her agreement to that act, matter, thing or resolution personally, by post or by a form of technology; or

(iii) the director or an alternate director appointed by the director attended the meeting.

(e) The non-receipt of notice of a meeting of directors by, or a failure to give notice of a meeting of directors to, an alternate director of a director on leave of absence approved by the directors does not invalidate any act, matter or thing done or resolution passed at the meeting if:

(i) the non-receipt or failure occurred by accident or error;

(ii) before or after the meeting, the alternate director or the director who appointed the alternate director:

A. has waived or waives notice of that meeting under paragraph (c); or

B. has notified or notifies the company of his or her agreement to that act, matter, thing or resolution personally, by post or by a form of technology; or

(iii) the alternate director or the director who appointed the alternate director attended the meeting.

(f) Attendance by a person at a meeting of directors waives any objection that person and:

(i) if the person is a director, an alternate director appointed by that person; or

(ii) if the person is an alternate director, the director who appointed that person as alternate director,

may have to a failure to give notice of the meeting.

6.10 Quorum at meetings of directors

(a) No business may be transacted at a meeting of directors unless there is a quorum of directors at the time the business is dealt with.

(b) A quorum consists of:

(i) if the directors have fixed a number for the quorum, that number of directors; and

(ii) in any other case, two directors.

(c) If there is a vacancy in the office of a director, the remaining director or directors may act but, if the number of remaining directors is not sufficient to constitute a quorum at a meeting of directors, the remaining director or directors may act only in an emergency or for the purpose of increasing the number of directors to a number sufficient to constitute a quorum or of convening a general meeting of the company.

6.11 Chair and deputy chair of directors

(a) The directors may elect one of the directors to the office of chair of directors and may determine the period for which that director is to be chair of directors.

(b) The directors may elect one of the directors to the office of deputy chair of directors and may determine the period for which that director is to be deputy chair of directors.

(c) The office of chair of directors or deputy chair of directors may be treated as an extra service or special exertion performed by the director holding that office for the purposes of rule 6.3(e) if:

(i) the directors resolve to do so; and

(ii) the total amount fixed by the company for remuneration of non-executive directors under rule 6.3(a) will not be exceeded.

(d) The chair of directors must (if present within 10 minutes after the time appointed for the holding of the meeting and willing to act) preside as chair at each meeting of directors.

(e) If at a meeting of directors:

(i) there is no chair of directors;

(ii) the chair of directors is not present within 10 minutes after the time appointed for the holding of the meeting; or

(iii) the chair of directors is present within that time but is not willing to act as chair of the meeting or of part of the meeting,

then if the directors have elected a deputy chair of directors, the deputy chair of directors must (if present within 10 minutes after the time appointed for the holding of the meeting and willing to act) preside as the chair of the meeting or part of it.

(f) Subject to paragraphs (d) and (e), if at a meeting of directors:

(i) there is no deputy chair of directors;

(ii) the deputy chair of directors is not present within 10 minutes after the time appointed for the holding of the meeting or of part of the meeting; or

(iii) the deputy chair of directors is present within that time but is not willing to act as chair of the meeting or part of the meeting,

the directors present must elect one of themselves to be chair of the meeting or part of the meeting.

6.12 Decisions of directors

(a) A meeting of directors at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the directors under this constitution.

(b) Questions arising at a meeting of directors are to be decided by a majority of votes cast by the directors present and a decision of that kind is for all purposes a determination of the directors.

(c) Subject to paragraph (d), in the case of an equality of votes upon any proposed resolution, the chair of the meeting has a casting vote in addition to any vote the chair has in his or her capacity as a director.

(d) Where only two directors are present or qualified to vote at a meeting of directors and there is an equality of votes upon any proposed resolution:

(i) the chair of the meeting does not have a second or casting vote; and

(ii) the proposed resolution is to be taken as having been lost.

6.13 Written resolutions

(a) An act, matter or thing is taken to have been done or a resolution passed by a meeting of the directors, if a document containing a statement to that effect is assented to by all of the directors other than:

(i) a director on leave of absence approved by the directors;

(ii) a director who disqualifies himself or herself from considering the act, matter or thing in question on the grounds that he or she is not entitled at law to do so or has a conflict of interest; and

(iii) a director who the directors reasonably believe is not entitled to do the act, matter or thing or to vote on the resolution in question,

and the directors who assent to the document would have constituted a quorum at a meeting held to consider that act, matter, thing or resolution.

(b) The act, matter or thing is taken to have been done or the resolution passed when the document is last assented to by a director.

(c) Two or more separate documents in identical terms each of which is assented to by one or more directors are to be taken as constituting one document.

(d) A director may signify assent to a document by signing the document or by notifying the company of the director's assent in person or by post, fax, electronic, telephone or other method of written, audio or audio visual communication.

(e) Where a director signifies assent to a document otherwise than by signing the document, the director must by way of confirmation sign the document at the next meeting of the directors attended by that director, but failure to do so does not invalidate the act, matter, thing or resolution to which the document relates.

(f) Where a document is assented to in accordance with this rule 6.13, the document is to be taken as a minute of a meeting of directors.

6.14 Alternate directors

(a) A director may, with the approval of the directors, appoint a person to be the director's alternate director for a period which the director thinks fit.

(b) An alternate director may be a member or a director of the company but need not be a member or a director.

(c) One person may act as alternate director to more than one director.

(d) An alternate director is entitled, if the appointer does not attend a meeting of directors, to attend and vote in place of and on behalf of the appointer.

(e) An alternate director is entitled to a separate vote for each director the alternate director represents in addition to any vote the alternate director may have as a director in his or her own right.

(f) In the absence of the appointer, an alternate director may exercise any powers that the appointer may exercise and the exercise of that power by the alternate director is to be taken to be the exercise of the power by the appointer.

(g) The office of an alternate director is vacated if and when the appointer vacates office as a director.

(h) The appointment of an alternate director may be terminated at any time by the appointer even though the period of the appointment of the alternate director has not expired.

(i) An appointment, or the termination of an appointment, of an alternate director must be in writing signed by the director who makes or made the appointment and does not take effect unless and until the company has received notice in writing of the appointment or termination.

(j) An alternate director is not to be taken into account in determining the minimum or maximum number of directors allowed under this constitution.

(k) In determining whether a quorum is present at a meeting of directors, a director or an alternate director who attends the meeting is to be counted once only.

(l) An alternate director is entitled to be paid the remuneration which the directors think fit, either in addition to or in reduction of the remuneration payable to the director for whom the alternate director acts as alternate.

(m) An alternate director is not entitled to be remunerated by the company for his or her services as alternate director except as provided in paragraph (l).

(n) An alternate director, while acting as a director, is responsible to the company for his or her own acts and defaults and is not to be taken to be the agent of the director by whom he or she was appointed.

6.15 Committees of directors

(a) The directors may delegate any of their powers to a committee or committees consisting of such number of directors as they think fit.

(b) A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.

(c) The provisions of this constitution applying to meetings and resolutions of directors apply, so far as they can and with such changes as are necessary, to meetings and resolutions of a committee of directors.

(d) Membership of a committee of directors may be treated as an extra service or special exertion performed by the members of the committee for the purposes of rule 6.3(e) if:

   (i) the directors resolve to do so; and

   (ii) the total amount fixed by the company for remuneration of non-executive directors under rule 6.3(a) will not be exceeded.

6.16 Delegation to individual directors

(a) The directors may delegate any of their powers to one director.

(b) A director to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.

(c) Acceptance of such a delegation may be treated as an extra service or special exertion performed by the delegate for the purposes of rule 6.3(e) if:

(i) the directors resolve to do so; and

(ii) the total amount fixed by the company for remuneration of non-executive directors under rule 6.3(a) will not be exceeded.

6.17 Validity of acts

An act done by a person acting as a director or by a meeting of directors or a committee of directors attended by a person acting as a director is not invalidated by reason only of:

(a) a defect in the appointment of the person as a director;

(b) the person being disqualified to be a director or having vacated office; or

(c) the person not being entitled to vote,

if that circumstance was not known by the person or the directors or committee, as the case may be, when the act was done.

7. EXECUTIVE OFFICERS

7.1 Managing directors

(a) The directors may appoint one or more of the directors to the office of managing director.

(b) A managing director's appointment as managing director automatically terminates if the managing director ceases to be a director.

7.2 Deputy managing directors

(a) The directors may appoint one or more of the directors to the office of deputy managing director.

(b) A deputy managing director's appointment as deputy managing director automatically terminates if the deputy managing director ceases to be a director.

7.3 Executive directors

(a) A reference in this rule 7.3 to an executive director is a reference to a director who is also an officer of the company or of a related body corporate in a capacity other than director, managing director or deputy managing director.

(b) The directors may confer on an executive director any title they think fit.

(c) The terms on which an executive director is appointed may provide that the executive director's appointment:

  (i) as a director automatically terminates if the executive director ceases to be an officer of the company or of a related body corporate in a capacity other than director; or

  (ii) as an officer of the company or of a related body corporate in a capacity other than director automatically terminates if the executive director ceases to be a director.

7.4 Associate directors

(a) The directors may appoint one or more associate directors.

(b) The directors may confer on an associate director any title they think fit.

(c) Even though the word "director" may appear in an associate director's title, an associate director is not to be taken to be a director of the company and is not entitled:

  (i) to attend any meeting of directors except by the invitation and with the consent of the directors; or

  (ii) to vote at any meeting of directors.

7.5 Secretaries

(a) The directors must appoint at least one secretary and may appoint additional secretaries.

(b) The directors may appoint one or more assistant secretaries.

7.6 Provisions applicable to all executive officers

(a) A reference in this rule 7.6 to an executive officer is a reference to a managing director, deputy managing director, executive director, associate director, secretary or assistant secretary appointed under this rule 7.

(b) The appointment of an executive officer may be for the period, at the remuneration and on the conditions the directors think fit.

(c) The remuneration payable by the company to an executive officer who is also a director must not include a commission on operating revenue or a percentage of operating revenue.

(d) Subject to any contract between the company and the relevant executive officer, an executive officer of the company may be removed or dismissed by the directors at any time, with or without cause.

(e) The directors may:

  (i) confer on an executive officer the powers, discretions and duties as they think fit, including any powers, discretions and duties vested in or exercisable by the directors;

  (ii) withdraw, suspend or vary any of the powers, discretions and duties conferred on an executive officer; and

  (iii) authorise the executive officer to delegate all or any of the powers, discretions and duties conferred on the executive officer.

(f) An executive officer is not required to hold any shares to qualify for appointment.

(g) An act done by a person acting as an executive officer is not invalidated by reason only of:

  (i) a defect in the person's appointment as an executive officer; or

(ii) the person being disqualified to be an executive officer,

if that circumstance was not known by the person when the act was done.

8. SEALS

8.1 Adoption of seal

(a) The directors may provide for the company to have a seal or for the company to no longer have a seal.

(b) Rules 8.2, 8.3, 8.4 and 8.5 only apply if the company has a seal.

8.2 Use of seal

(a) The seal must be used only by the authority of the directors or a committee of the directors authorised by the directors to authorise the use of the seal.

(b) The authority to use the seal may be given before or after the seal is used.

(c) Subject to rule 8.5, until the directors otherwise determine, the fixing of the seal to a document must be witnessed by a director and by another director, a secretary or another person appointed by the directors to witness that document or a class of documents in which that document is included.

8.3 Duplicate seal

(a) The company may have for use in place of its common seal outside the state or territory where its common seal is kept one or more duplicate seals, each of which must be a facsimile of the common seal of the company with the addition on its face of the words "duplicate seal" and the name of the place where it is to be used.

(b) A document sealed with a duplicate seal is to be taken as having been sealed with the common seal of the company.

8.4 Share seal or certificate seal

(a) The company may have for use on certificates for securities of the company in place of its common seal one or more duplicate seals, each of which must be a facsimile of the common seal of the company with the addition on its face of the words "share seal" or "certificate seal".

Subject to the SCH person who is register share:

(i)

(b) A certificate for securities of the company sealed with a share seal or certificate seal be taken as having been sealed with the common seal of the company.

8.5 Sealing and signing of certificates

The directors may determine either generally or in a particular case that the seal and the signature of any director, secretary or other person is to be printed on or affixed to any certificates for securities in the company by some mechanical or other means.

9. DISTRIBUTION OF PROFITS

9.1 Dividends

(a) The directors may pay any interim and final dividends as, in their judgment, the financial position of the company justifies.

(b) The directors may pay any dividend required to be paid under the terms of issue of a share.

(c) The payment of a dividend does not require confirmation by a general meeting.

(d) Subject to any rights or restrictions attached to a share or class of shares:

(i) all dividends in respect of a share must be paid in the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share;

(ii) all dividends must be apportioned and paid proportionately to the amount paid during any portion or portions of the period in respect of which the dividend is paid;

(iii) for the purposes of paragraphs (d)(i) and (ii), an amount paid on a share in advance of a call is to be ignored; and

(iv) interest is not payable by the company in respect of any dividend.

(e) Subject to the SCH Business Rules, the directors may fix a record date in respect of a dividend.

(f) Subject to the SCH Business Rules, a dividend in respect of a share must be paid to the person who is registered, or entitled under rule 4.1(g) to be registered, as the holder of the share:

(i) where the directors have fixed a record date in respect of the dividend, on that date; or

(ii) where the directors have not fixed a record date in respect of that dividend, on the date the dividend is paid,

and a transfer of a share that is not registered, or left with the company for registration in accordance with rule 4.1(f), on or before that date is not effective, as against the company, to pass any right to the dividend.

(g) The directors when fixing the amount and time for payment of a dividend may:

(i) direct payment of the dividend wholly or partly by the distribution of specific assets, including fully paid shares or other securities of the company or of another body corporate, either generally or to specific shareholders; and

(ii) direct that the dividend be paid to particular shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining shareholders wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source or generally.

(h) The directors may deduct from any dividend payable to a member all sums of money presently payable by the member to the company for calls due and payable and apply the amount deducted in or towards satisfaction of the money owing.

(i) Where a person is entitled to a share as a result of a transmission event, the directors may, but are not obliged to, retain any dividends payable on that share until that person becomes registered as the holder of the share or transfers it.

(j) Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque and sent by post:

(i) to the address of the holder as shown in the register of members, or in the case of joint holders, to the address shown in the register of members as the address of the joint holder first named in that register; or

9.3

(ii) to such other address as the holder or joint holders in writing directs or direct.

This paragraph (j) does not adversely affect any other method of payment the directors may adopt.

(k) A cheque sent under paragraph (j) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs and is sent at the member's risk.

9.2 Capitalisation of profits

(a) Subject to any rights or restrictions attached to any shares or class of shares, the directors may capitalise and distribute among such of the members as would be entitled to receive dividends and in the same proportions, any amount:

(i) forming part of the undivided profits of the company;

(ii) representing profits arising from an ascertained accretion to capital or from a revaluation of the assets of the company;

(iii) arising from the realisation of any assets of the company; or

(iv) otherwise available for distribution as a dividend.

(b) The directors may resolve that all or any part of the capitalised amount is to be applied:

(i) in paying up in full any unissued shares in or other securities of the company;

(ii) in paying up any amounts unpaid on shares or other securities held by the members; or

(iii) partly as specified in paragraph (b)(i) and partly as specified in paragraph (b)(ii),

and that application must be accepted by the members entitled to share in the distribution in full satisfaction of their interests in the capitalised amount.

(c) Rules 9.1(e) and (f) apply, so far as they can and with any necessary changes, to a capitalisation of an amount under rule 9.2 as if references in those rules to a dividend and to the date a dividend is paid were references to a capitalisation of an amount and to the date the directors resolve to capitalise the amount under this rule 9.2 respectively.

9.3 Ancillary powers

(a) The directors may do any of the following things to give effect to a resolution for the satisfaction of a dividend in the manner set out in rule 9.1(g)(i) or by the capitalisation of an amount under rule 9.2:

(i) settle as they think expedient any difficulty that may arise in making the distribution or capitalisation and, in particular, where shares or other securities in the company are or would otherwise be issuable in fractions:

A. determine that fractions are to be disregarded or are to be rounded down to the nearest whole number; or

B. determine that fractions are to be rounded up to the nearest whole number;

(ii) fix the value for distribution of any specific assets;

(iii) pay cash or issue shares or other securities to any members in order to adjust the rights of all parties;

(iv) vest any specific assets, cash, shares or other securities in a trustee on such trusts for the persons entitled to the dividend or capitalised amount as may seem expedient to the directors; and

(v) authorise any person to make, on behalf of all the members entitled to any further shares or other securities as a result of the distribution or capitalisation, an agreement with the company or another body corporate providing, as appropriate:

A. for the issue to them of such further shares or other securities as fully paid; or

B. for the payment by the company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares or other securities by the application of their respective proportions of the sum resolved to be capitalised,

and any agreement made under an authority referred to in this paragraph (v) is effective and binding on all members concerned.

(b) If the company distributes to a member shares or other securities in the company or another body corporate or a trust, the member appoints the company as his or her agent to

do anything needed to give effect to that distribution, including agreeing to become a member of that other body corporate.

9.4 Reserves

(a) Subject to this constitution, the directors may set aside out of the profits of the company reserves or provisions for any purpose as they think fit.

(b) The directors may appropriate to the profits of the company an amount previously set aside as a reserve or provision.

(c) The setting aside of an amount as a reserve or provision does not require the directors to keep the amount separate from other assets of the company or prevent the amount being used in the business of the company or being invested as the directors think fit.

9.5 Carry forward of profits

The directors may carry forward as much of the profits remaining as they consider ought not to be distributed as dividends or capitalised without transferring those profits to a reserve or provision.

9.6 Dividend reinvestment plans

(a) The directors may implement a dividend reinvestment plan on the terms they think fit under which the whole or any part of a dividend due to members who participate in the plan on their shares or any class of shares may be applied in subscribing for securities of the company or of a related body corporate.

(b) The directors may amend, suspend or terminate a dividend reinvestment plan implemented by them.

9.7 Dividend selection plans

(a) The directors may implement a dividend selection plan on the terms they think fit under which participants may elect in respect of all, or part, of their shareholdings:

(i) to receive a dividend from the company paid wholly or partly out of a particular fund or reserve or out of profits derived from a particular source; or

(ii) to forego a dividend from the company in place of another form of distribution from the company or another body corporate or a trust.

(b) The directors may amend, suspend or terminate any dividend selection plan implemented by them.

10. WINDING UP

10.1 Distribution of surplus

Subject to this constitution and to the rights or restrictions attached to any shares or class of shares:

(a) if the company is wound up and the property of the company is more than sufficient:

(i) to pay all of the debts and liabilities of the company; and

(ii) the costs, charges and expenses of the winding up,

the excess must be divided among the members in proportion to the shares held by them, irrespective of the amounts paid or credited as paid on the shares;

(b) for the purpose of calculating the excess referred to in paragraph (a), any amount unpaid on a share is to be treated as property of the company;

(c) the amount of the excess that would otherwise be distributed to the holder of a partly paid share under paragraph (a) must be reduced by the amount unpaid on that share at the date of the distribution; and

(d) if the effect of the reduction under paragraph (c) would be to reduce the distribution to the holder of a partly paid share to a negative amount, the holder must contribute that amount to the company.

10.2 Division of property

(a) If the company is wound up, the liquidator may, with the sanction of a special resolution:

(i) divide among the members the whole or any part of the property of the company; and

(ii) determine how the division is to be carried out as between the members or different classes of members.

(b) A division under paragraph (a) may be otherwise than in accordance with the legal rights of the members and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part.

(c) Where a division under paragraph (a) is otherwise than in accordance with the legal rights of the members, a member is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the *Corporations Law*.

(d) If any of the property to be divided under paragraph (a) includes securities with a liability to calls, a person entitled under the division to any of the securities may within 10 days after the passing of the special resolution referred to in that rule, by notice in writing direct the liquidator to sell the person's proportion of the securities and to account for the net proceeds and the liquidator must, if practicable, act accordingly.

(e) Nothing in this rule 10.2 adversely affects any right to exercise any statutory or other power which would have existed if this rule were omitted.

(f) Rule 9.3 applies, so far as it can and with necessary changes, to a division by a liquidator under rule 10.2(a) as if references in rule 9.3 to the directors and to a distribution or capitalisation were references to the liquidator and to the division under rule 10.2(a) respectively.

11. MINUTES AND RECORDS

11.1 Minutes

The directors must cause minutes of:

(a) all proceedings and resolutions of general meetings;

(b) proceedings and resolutions of meetings of the directors and of committees of the directors; and

(c) resolutions passed by directors without a meeting,

to be recorded and entered in books kept for that purpose, within one month after the meeting is held or the resolution is passed.

11.2 Signing of minutes

(a) Minutes of a meeting must be signed by the chair of the meeting or the chair of the next meeting within a reasonable time after the meeting.

(b) Minutes of the passing of a resolution without a meeting must be signed by a director within a reasonable time after the resolution is passed.

11.3 Minutes as evidence

A minute that is recorded and signed in accordance with rules 11.1 and 11.2 is evidence of the proceeding, resolution or declaration to which it relates, unless the contrary is proved.

11.4 Inspection of records

(a) Subject to the *Corporations Law*, the directors may determine whether and to what extent, and at what time and places and under what conditions, the minute books, accounting records and other documents of the company or any of them will be open to the inspection of members other than directors.

(b) A member other than a director does not have the right to inspect any books, records or documents of the company except as provided by law or authorised by the directors.

12. INDEMNITY AND INSURANCE

12.1 Persons to whom rules 12.2 and 12.4 apply

Rules 12.2 and 12.4 apply:

(a) to each person who is or has been a director, alternate director or executive officer (within the meaning of rule 7.6(a)) of the company;

(b) to such other officers or former officers of the company or of its related bodies corporate as the directors in each case determine; and

(c) if the directors so determine, to any auditor or former auditor of the company or of its related bodies corporate.

12.2 Indemnity

The company must indemnify, on a full indemnity basis and to the full extent permitted by law, each person to whom this rule 12.2 applies for all losses or liabilities incurred by the person as an officer or, if the directors so determine, an auditor of the company or of a related body corporate including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred:

(a) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or

(b) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the *Corporations Law*.

12.3 Extent of Indemnity

The indemnity in rule 12.2:

(a) is a continuing obligation and is enforceable by a person to whom rule 12.2 applies even though that person may have ceased to be an officer or auditor of the company or of a related body corporate;

(b) applies to losses and liabilities incurred both before and after the date of adoption of that rule; and

(c) operates only to the extent that the loss or liability is not covered by insurance.

12.4 Insurance

The company may, to the extent permitted by law:

(a) purchase and maintain insurance; or

(b) pay or agree to pay a premium for insurance,

for any person to whom this rule 12.4 applies against any liability incurred by the person as an officer or auditor of the company or of a related body corporate including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome.

12.5 Savings

Nothing in rule 12.2 or 12.4:

(a) affects any other right or remedy that a person to whom those rules apply may have in respect of any loss or liability referred to in those rules; or

(b) limits the capacity of the company to indemnify or provide insurance for any person to whom those rules do not apply.

13. NOTICES

13.1 Notices by the company to members

(a) A notice may be given by the company to a member:

(i) by serving it personally at, or by sending it by post in a prepaid envelope to, the member's address as shown in the register of members or any other address, or by fax to such fax number, as the member has supplied to the company for the giving of notices; or

(ii) if the member does not have a registered address and has not supplied another address to the company for the giving of notices, by exhibiting it at the registered office of the company.

(b) A notice may be given by the company to the joint holders of a share by giving the notice in the manner authorised by paragraph (a) to the joint holder first named in the register of members in respect of the share.

(c) A notice may be given by the company to a person entitled to a share as a result of a transmission event by serving it or sending it in the manner authorised by paragraph (a)(i) addressed to the name or title of the person, at or to the address, fax number supplied to the company for the giving of notices to that person, or if no address or fax number has been supplied, at or to the address or fax number to which the notice might have been sent if the relevant transmission event had not occurred.

(d) The fact that a person has supplied a fax number for the giving of notices does not require the company to give any notice to that person by fax.

(e) A notice given to a member in accordance with paragraphs (a) or (b) is, des[illegible] occurrence of a transmission event and whether or not the company has notice of [illegible] occurrence:

   (i) duly given in respect of any shares registered in that person's name, whether solely or jointly with another person; and

   (ii) sufficient service on any person entitled to the shares as a result of the transmission event.

(f) A notice given to a person who is entitled to a share as a result of a transmission event is sufficient service on the member in whose name the share is registered.

(g) Any person who, because of a transfer of shares, becomes entitled to shares registered in the name of a member is bound by every notice which, before that person's name and address is entered in the register of members in respect of those shares, is given to the member in accordance with this rule 13.1.

(h) A certificate signed by a director or secretary of the company to the effect that a notice has been given in accordance with this constitution is conclusive evidence of that fact.

13.2 Notices by the company to directors

Subject to this constitution, a notice may be given by the company to any director or alternate director either by serving it personally at, or by sending it by post in a prepaid envelope to, the director's or alternate director's usual residential or business address, or such other address, or by fax or electronic mail to such fax number or electronic address, as the director or alternate director has supplied to the company for the giving of notices.

13.3 Notices by members or directors to the company

Subject to this constitution, a notice may be given by a member, director or alternate director to the company by serving it on the company at, or by sending it by post in a prepaid envelope to, the registered office of the company or by fax to the principal fax number at the registered office of the company.

13.4 Notices to members outside Australia

A notice to be sent to a member outside Australia and its external territories must be sent by airmail or by fax, or in another way that ensures it will be received quickly.

13.5 Time of service

(a) Where a notice is sent by post, service of the notice is to be taken to be effected if a prepaid envelope containing the notice is properly addressed and placed in the post and to have been effected:

(i) in the case of a notice of a general meeting, on the day after the date of its posting; or

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(b) Where a notice is sent by fax, the notice is to be taken to be given on the business day after it is sent.

(c) Where the company gives a notice under rule 13.1(a)(ii) by exhibiting it at the registered office of the company, service of the notice is to be taken to be effected when the notice was first so exhibited.

13.6 Other communications and documents

Rules 13.1 to 13.5 (inclusive) apply, so far as they can and with necessary changes, to the service of any communication or document.

13.7 Notices in writing

A reference in this constitution to a notice in writing includes a notice given by fax or another form of written communication.

14. APPROVAL OF PROPORTIONAL TAKEOVER BIDS[1]

14.1 Definitions

In this rule 14:

(a) **"approving resolution"**, in relation to a Proportional Takeover Bid, means a resolution to approve the Proportional Takeover Bid passed in accordance with rule 14.3;

1 Re-inserted by special resolution on 1 May 2003.

(b) **"proportional takeover bid"** means an off-market bid that is made or purports to be made under section 618(1)(b) of the Corporations Act in respect of a specified proportion of shares included in a class of shares in the company; and

(c) **"approving resolution deadline"**, in relation to a Proportional Takeover Bid, means the day that is the 14th day before the last day of the bid period in respect of the Proportional Takeover Bid.

14.2 Transfers not to be registered

Despite rules 4.1(g) and 4.2, a transfer giving effect to a takeover contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless and until an Approving Resolution to approve the Proportional Takeover Bid has been passed or is taken to have been passed in accordance with rule 14.3.

14.3 Resolution

(a) Where offers have been made under a Proportional Takeover Bid, the directors must:

(i) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing an Approving Resolution to approve the Proportional Takeover Bid; and

(ii) ensure that such a resolution is voted on in accordance with rule 14.3,

before the Approving Resolution Deadline in relation to that Proportional Takeover Bid.

(b) The provisions of this constitution that apply to a general meeting of the company apply:

(i) with any changes that the circumstances require, to a meeting convened under paragraph (a); and

(ii) as if the meeting convened under paragraph (a) were a general meeting of the company.

(c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution relating to that Proportional Takeover Bid and, if they do vote, their votes must not be counted.

(d) Subject to paragraph (c), a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held bid class shares is entitled to vote on the Approving Resolution relating to the Proportional Takeover Bid.

(e) An Approving Resolution is to be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is to be taken to have been rejected.

(f) If an Approving Resolution to approve a Proportional Takeover Bid has not been voted on in accordance with this rule 14.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution to approve the Proportional Takeover Bid will be taken to have been passed in accordance with rule 14.3.

14.4 Sunset

Rules 14.1, 14.2 and 14.3 cease to have effect at the end of three years beginning:

(a) on the date this rule 14 of the constitution is adopted by the company; or

(b) where these rules have been renewed in accordance with the Corporations Act, on the date those rules were last renewed."

In accordance with section 648G(5) of the Corporations Act, the Explanatory Statement attached to this Notice of Annual General Meeting includes a Statement under section 648G.

15. GENERAL

15.1 Currency

An amount payable to the holder of a share, whether by way of or on account of dividend, return of capital, participation in the property of the company on a winding up or otherwise, may be paid, with the agreement of the holder or pursuant to the terms of issue of the share, in the currency of a country other than Australia and the directors may fix a date up to 30 days before the payment date as the date on which any applicable exchange rate will be determined for that purpose.

15.2 Submission to jurisdiction

Each member submits to the non-exclusive jurisdiction of the Supreme Court of the State or Territory in which the registered office of the company is located, the Federal Court of Australia and the Courts which may hear appeals from those Courts.

15.3 Prohibition and enforceability

(a) Any provision of, or the application of any provision of, this constitution which is prohibited in any place is, in that place, ineffective only to the extent of that prohibition.

(b) Any provision of, or the application of any provision of, this constitution which is void, illegal or unenforceable in any place does not affect the validity, legality or enforceability of that provision in any other place or of the remaining provisions in that or any other place.

ATTACHMENT A

DICTIONARY

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this constitution:

business day has the meaning given to that term in the Listing Rules;

certificated holding means a share or shares for which a certificate has been issued, and not subsequently cancelled, by the company;

dispose has the meaning given to that term in the Listing Rules;

Exchange means Australian Stock Exchange Limited;

listed company means a company which is admitted to the official list of the Exchange;

Listing Rules means the official listing rules of the Exchange and any other rules of the Exchange which are applicable while the company is admitted to the official list of the Exchange, except to the extent of any express written waiver by the Exchange;

proper SCH transfer has the meaning given to that term in the *Corporations Law*;

representative, in relation to a body corporate, means a representative of the body corporate appointed under section 250D of the *Corporations Law* or a corresponding previous law;

restricted securities has the meaning given to that term in the Listing Rules;

SCH Business Rules has the meaning given to that term in the *Corporations Law*;

seal means any common seal, duplicate seal, share seal or certificate seal of the company;

transmission event means:

(a) in respect of a member of the company who is an individual:

(i) the death of the member;

(ii) the bankruptcy of the member; or

(iii) the member becoming of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health; and

(b) in respect of a member of the company who is a body corporate, the dissolution of the member or the succession by another body corporate to the assets and liabilities of the member; and

uncertificated holding means a share or shares for which a certificate has not been issued by the company, or in respect of which any certificate which was issued by the company has been cancelled without the issue of a replacement certificate, in accordance with rule 2.2.

1.2 Interpretation

(a) A reference in a rule to a partly paid share is a reference to a share on which there is an amount unpaid.

(b) A reference in a rule relating to partly paid shares to a call or an amount called in respect of a share includes a reference to a sum that, by the terms of issue of a share, becomes payable on issue or at a fixed date.

(c) A member is to be taken to be present at a general meeting if the member is present in person or by proxy, attorney or representative.

(d) A director is to be taken to be present at a meeting of directors if the director is present in person or by alternate director.

(e) A reference in a rule in general terms to a person holding or occupying a particular office or position includes a reference to any person who occupies or performs the duties of that office or position for the time being.

(f) In this constitution, headings and underlinings are for convenience only and do not affect the interpretation of this constitution and, unless the contrary intention appears:

(i) words importing the singular include the plural and vice versa;

(ii) words importing a gender include every other gender;

(iii) words used to denote persons generally or importing a natural person include any company, corporation, body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);

(iv) a reference to a person includes that person's successors and legal personal representatives;

(v) a reference to any statute, regulation, proclamation, ordinance or by-laws includes all statutes, regulations, proclamations, ordinances or by-laws varying, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;

(vi) a reference to the Listing Rules or the SCH Business Rules includes any amendment or replacement of those rules from time to time; and

(vii) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

2. APPLICATION OF THE *CORPORATIONS LAW*, LISTING RULES AND SCH BUSINESS RULES

(a) This constitution is to be interpreted subject to the *Corporations Law* and (while the company is a listed company) the Listing Rules and the SCH Business Rules.

(b) While the company is a listed company, the company and the directors must comply with the obligations respectively imposed on them under the Listing Rules and the SCH Business Rules.

(c) Unless the contrary intention appears, an expression in a rule that deals with a matter dealt with by a provision of the *Corporations Law*, the Listing Rules or the SCH Business Rules has the same meaning as in that provision.

(d) Subject to paragraph (c), unless the contrary intention appears, an expression in a rule that is defined in section 9 of the *Corporations Law* has the same meaning as in that section.

3. EFFECT OF THE LISTING RULES

While the company is a listed company, the following provisions apply:

(a) notwithstanding anything contained in this constitution, if the Listing Rules prohibit an act being done, the act must not be done;

(b) nothing contained in this constitution prevents an act being done that the Listing Rules require to be done;

(c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(d) if the Listing Rules require this constitution to contain a provision and it does not contain such a provision, this constitution is deemed to contain that provision;

(e) if the Listing Rules require this constitution not to contain a provision and it contains such a provision, this constitution is deemed not to contain that provision;

(f) if any provision of this constitution is or becomes inconsistent with the Listing Rules, this constitution is deemed not to contain that provision to the extent of the inconsistency.

4. EXERCISE OF POWERS

(a) The company may exercise in any manner permitted by the *Corporations Law* any power which under the *Corporations Law* a company limited by shares may exercise.

(b) Where this constitution provides that a person or body may do a particular act or thing and the word "may" is used, the act or thing may be done at the discretion of the person or body.

(c) Where this constitution confers a power to do a particular act or thing, the power is, unless the contrary intention appears, to be taken as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary that act or thing.

(d) Where this constitution confers a power to do a particular act or thing with respect to particular matters, the power is, unless the contrary intention appears, to be taken to include a power to do that act or thing with respect to some only of those matters or with respect to a particular class or particular classes of those matters and to make different provision with respect to different matters or different classes of matters.

(e) Where this constitution confers a power to make appointments to any office or position, the power is, unless the contrary intention appears, to be taken to include a power:

(i) to appoint a person to act in the office or position until a person is appointed to the office or position;

(ii) subject to any contract between the company and the relevant person, to remove or suspend any person appointed, with or without cause; and

(iii) to appoint another person temporarily in the place of any person so removed or suspended or in place of any sick or absent holder of such office or position.

(f) Where this constitution confers a power or imposes a duty then, unless the contrary intention appears, the power may be exercised and the duty must be performed from time to time as the occasion requires.

(g) Where this constitution confers a power or imposes a duty on the holder of an office as such then, unless the contrary intention appears, the power may be exercised and the duty must be performed by the holder for the time being of the office.

(h) Where this constitution confers power on a person or body to delegate a function or power:

(i) the delegation may be concurrent with, or to the exclusion of, the performance or exercise of that function or power by the person or body;

(ii) the delegation may be either general or limited in any manner provided in the terms of delegation;

(iii) the delegation need not be to a specified person but may be to any person from time to time holding, occupying or performing the duties of, a specified office or position;

(iv) the delegation may include the power to delegate;

(v) where the performance or exercise of that function or power is dependent upon the opinion, belief or state of mind of that person or body in relation to a matter, that function or power may be performed or exercised by the delegate upon the opinion, belief or state of mind of the delegate in relation to that matter; and

(vi) the function or power so delegated, when performed or exercised by the delegate, is to be taken to have been performed or exercised by the person or body.

5. REPLACEABLE RULES NOT TO APPLY

The replaceable rules applicable to a public company contained in the *Corporations Law* from time to time do not apply to the company.

MEMORANDUM OF ASSOCIATION

OF

ROC OIL COMPANY LIMITED

A Company Limited by Shares

1.	DATE:	This memorandum of Association is subscribed on O[illegible]r 11th, 1996.
2.	NAME:	The name of the company is: ROC OIL COMPANY LIMITED
3.	POWERS:	The company has all those powers provided f[illegible] the Corporations Law, including all the powers and legal cap[illegible] of a natural person, and no restriction is placed on the exercise [illegible]ose powers.
4.	OBJECTS:	No restrictions are placed on the objects [illegible]ch the company may pursue.
5.	LIABILITY:	The liability of members is limited.
6.	CAPITAL:	The capital of the company, whilst [illegible] required by law to have an authorised capital, is A$10,000,00[illegible] divided into 1,000,000,000 shares of one cent each.
7.	SUBSCRIBERS:	The subscribers hereto, and th[illegible]mber of shares which each agrees to take in the capital of the c[illegible]ny, are:

(name)	:	SUBSCRIBER 1 PTY LI[illegible]ED (CAN: 055 963 150)
(addr)	:	Companies House, 74-76 [illegible]pbell Street, Sydney, NSW 2010
(occup)	:	Incorporation Agents [illegible]hares) : 1 (one) SUBSCRIBER-R share

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

This discussion and analysis is provided to assist readers in understanding the financial statements for the financial year ended 31 December 2012.

FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

The Group reported a net profit after income tax of US$61.0 million (2011: net profit US$27.7 million). The Group's trading profit was US$106.2 million (2011: US$108.0 million).

Included in the overall result were items relating to:

- profit on sale of Mauritanian assets of US$10.3 million;
- foreign currency translation reserve gain of US$4.6 million as a result of liquidation of a dormant company;
- a prior year overprovision in income tax of US$15.7 million; offset by
- an increase in the restoration provision for BMG of $3.4 million; and
- exploration expense of US$18.1 million.

Basic earnings per share for the year were 8.9 cents based on a weighted average number of fully paid ordinary shares on issue of 682,992,485 shares.

Sales and Production Growth

The Group recorded solid performance from its producing assets, with working interest production of 2.4 MMBOE (2011: 2.7 MMBOE), down 14% compared to the prior year. Of the total working interest production, 0.2 MMBBL (9.6%) was delivered to host governments in relation to respective governments' share of profit oil under the Group's Production Sharing Contracts. ROC's closing balance 2P reserves at 31 December 2012 was 15.0 MMBOE, including reserve additions of 2.4 MMBBL after allowing for 2012 production, representing a 100% reserve replacement for 2012.

Oil and gas sales revenue of US$242.1 million (2011: US$285.8 million) was generated from sales volumes of 2.1 MMBOE (2011: 2.6 MMBOE), which achieved an average realised oil price of US$113.60/BBL (2011: US$110.93/BBL) before hedging, a premium of 1.5% to the Brent oil price which averaged US$111.67/BBL for 2012.

Operating costs of US$135.9 million (2011: US$177.9 million) comprised production costs of US$35.7 million (US$15.14/BOE), amortisation costs of US$70.9 million (US$30.04/BOE), Chinese special oil income levy and royalty of US$31.9 million offset by stock movements of US$2.5 million.

Exploration Expensed

Exploration and evaluation expenditure of US$29.0 million (2011: US$15.9 million) was incurred during the period, attributable to drilling exploration and appraisal wells in China and new venture activities. In accordance with the Company's successful efforts accounting policy, US$18.1 million (2011: US$13.5 million) in exploration costs were expensed during the period, mainly relating to the impairment of the H-2 well in Zhao Dong and new venture costs.

Income Tax

An income tax expense of US$21.8 million (2011: US$52.9 million) was incurred during the period, which included: an income tax expense of US$33.5 million and current PRRT of US$17.3 million offset by a prior year overprovision of US$15.7 million and a deferred income tax credit of US$13.3 million relating to timing differences.

The total tax paid during the year was US$47.0 million (2011: $54.0 million), relating to Zhao Dong, UK assets and PRRT in Australia.

Hedging

At 31 December 2012, ROC held no Brent oil price swap contracts. During the period, 0.150 MMBBL of oil price derivatives were settled, resulting in a cash outflow of US$0.7 million.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Continued

FINANCIAL PERFORMANCE (continued)

Consolidated Statement of Financial Position

During the period, total assets increased to US$368.8 million (2011: US$352.9 million) and total liabilities decreased to US$150.2 million (2011: US$191.3 million). As a result, net assets increased to US$218.6 million (2011: US$161.6 million).

Oil and gas assets increased to US$237.3 million (2011: US$218.3 million) during the period, mainly as a result of $65.3 million development expenditure incurred, a transfer of successful exploration to assets under development of US$11.0 million and an increase in the restoration costs of US$14.6 million offset by amortisation of US$70.9 million.

At 31 December 2012, ROC's net cash position was US$56.8 million (2011: US$26.5 million), consisting of cash assets held of US$56.8 million (2011: US$39.6 million) with no debt drawn (2011: US$13.1 million). At year end, the loan facility available to ROC was US$91.0 million relating to the remaining portion of the loan facility with Commonwealth Bank of Australia, BNP Paribas (Sydney Branch) and Sumitomo Mitsui Banking Corporation, maturing in June 2015.

Consolidated Statement of Cash Flows

Net cash generated from operating activities was US$126.3 million (2011: US$43.4 million). The funds were primarily used for development expenditure of US$59.4 million (2011: US$35.4 million) and exploration and evaluation expenditure initially capitalised of US$19.4 million (2011: US$5.7 million). Proceeds received from sale of exploration and development assets were US$1.8 million.

CORPORATE ACTIVITY

Health, Safety and Environment (HSE)

ROC is disappointed to report its first recorded Lost Time Injury across the business for two years. The low potential incident occurred at the Cliff Head facility which had been operating LTI free for six years. ROC has a track record of performing ahead of industry averages measuring safety and environmental performance and we recognise that this must remain a key focus across our business. We will continue to pursue the highest standards and continue working towards an incident free workplace. Operations in China and at our BMG asset achieved two years without a lost time injury in December 2012.

During the year we updated our HSE Management System and made further good progress in implementing our Asset Integrity Management System at Cliff Head and Zhao Dong. ROC also reviewed and updated its incident management plans for all its operations.

Senior Management Appointments

Dr Pierre Eliet joined ROC in September 2012 as General Manager – Exploration, Geoscience & Business Development and will be based in Kuala Lumpur, Malaysia.

OPERATIONAL OVERVIEW

Production and Development

The Group incurred US$35.7 million in production costs (2011: US$46.9 million), US$65.3 million (2011: US$30.8 million) in development expenditure and $15.4 million incurred on BMG NPP during 2012. Development costs primarily related to the development of Beibu and the ongoing development drilling at the Zhao Dong Fields.

Zhao Dong Oil Fields, Bohai Bay, Offshore China

ROC's working interest in oil production from the C and D Fields (24.5% and operator), the C4 unitised field (11.575% and operator) and Zhanghai Block (39.2% and operator) averaged 4,352 BOPD, down 6% compared to the previous year as a result of natural field decline and planned shutdown activity.

Development expenditure of US$26.7 million (2011: US$27.4 million) was incurred. A total of 14 producer wells and three injector wells were drilled during 2012.

Successful development drilling has resulted in 1.3 MMBBL additional 2P reserves being added to the Zhao Dong Field.

During the period, a second appraisal well (H-2) in the Zhanghai Block was drilled to the expected total depth and a liner run to secure the well before suspending operations because of severe weather conditions. The well came in below pre-drill expectation and as a result US$10.3 million of the costs incurred to 31 December 2012 were expensed. Further testing will occur in 1Q2013.

Cliff Head Oil Field, WA-31-L, Offshore Western Australia (42.5% and Operator)

ROC's working interest in oil production from the Cliff Head field averaged 1,306 BOPD, up 15% compared to the previous year as a contamination incident in 2011 interrupted production in the previous year.

Blane Oil Field, North Sea (12.5%)

ROC's working interest in oil production from the Blane field averaged 668 BOEPD, down 47% compared to the previous year.

The decrease in production was attributable to several planned and unplanned shutdowns during the year. The shutdowns included a planned maintenance shutdown in March, and a major upgrade to the Ula host platform safety systems with gas lift unavailable during this period. Further to this, production from the Blane Field was shut in from early September to late November due to a safety incident on the host Ula platform which was unrelated to the Blane Field. The field is now fully operational.

Enoch Oil and Gas Field, North Sea (12%)

ROC's working interest in gross production averaged 25 BOEPD, down 91% compared to the previous year primarily due to the Enoch Field being shut in for the majority of the year (since late January) due to mechanical and subsea issues, and the field is expected to remain shut in for the remainder of 2013.

WZ 6-12 and WZ 12-8 West Oil Field Development, Beibu Gulf, Offshore China (19.6%)

The Beibu Gulf development project continued on schedule and within budget as activities ramped up during the year. Final government approval was granted by the National Development and Reform Commission ('NDRC') in 3Q2012 and the facilities were nearing completion at year end. This included installation of the pipeline, fabrication and installation of two well head platforms and the installation of the PUQB. Final hook-up and commissioning work commenced in December. The development drilling programme is underway and first oil targeted during 1Q2013. The project expects plateau production later in 2013.

The successful completion of the exploration/appraisal campaign in the Beibu Gulf (offshore China) resulted in three discoveries and delivered incremental reserves to ROC of 0.7 MMBBL.

BMG Oil and Gas Fields, VIC/L26, VIC/L27 and VIC/L28, Offshore Victoria (37.5% and Operator)

BMG completed Non-Production Phase ('NPP') activities during the year, including the offshore deconstruct engineering and well intervention, the removal of the Crystal Ocean's detachable turret mooring from the field and the trenching of a subsea flowline in the field. These activities were successfully undertaken without experiencing a Lost Time Injury or significant loss of containment incident. The evaluation of options for a separate Phase-2 gas development continues.

ROC expects to hold a 37.5% interest in BMG, following the withdrawal of CIECO Exploration and Production (Australia) Pty Ltd from the BMG Joint Venture in December 2012, subject to regulatory approval. ROC's share of cash paid for NPP activities during year was US$12.1 million.

DISCUSSION AND ANALYSIS OF FINANCIAL STATEMENTS

Continued

OPERATIONAL OVERVIEW (continued)

Exploration and Appraisal

The Group incurred US$29.0 million (2011: US$15.9 million) in exploration and evaluation expenditure during 2012.

Balai Cluster Risk Service Contract, Offshore Sarawak, Malaysia (48%)

The Balai Cluster comprises a cluster of four marginal fields: Balai, Bentara, Spaoh and West Acis, which are located offshore Sarawak in water depths of approximately 60 metres. An incorporated joint venture company, BC Petroleum Sdn Bhd ('BCP') was incorporated to manage the Risk Service Contract ('RSC'). The shareholders in BCP are ROC 48%, DIALOG Group 32% and PETRONAS Carigali 20%. ROC accounts for its investment in BCP under the equity method of accounting.

The pre-development activities in 2012 included the conversion of the Early Production Vessel, onshore fabrication and offshore installation of four well head platforms, and the commencement of appraisal drilling activities in September, with the presence of hydrocarbons confirmed at both the Bentara-2 and Balai-2 wells. In May, BCP also secured project financing (debt facility for US$162 million) for the pre-development phase of the RSC.

On successful completion of the pre-development phase and agreement on the economic viability of the fields, BCP will submit a field development plan and progress to development of the fields or will be compensated with reimbursement of agreed costs.

During 2012, ROC directly contributed funds of US$17.4 million to BCP for pre-development phase activities relating to the Balai Cluster RSC.

Block H, Offshore Equatorial Guinea (20%)

Following ROC's farm-out agreement in 2011, ROC has a free carry through one exploration well. The joint venture partners have received an extension to the permit to February 2014. A detailed technical review is being carried out to develop further prospects in Block H with the drilling of an exploration well not expected to start prior to 4Q2013. An option is also in place for White Rose Energy Ventures (Equatorial Guinea) Limited to acquire ROC's remaining 20% interest in Block H for US$16.1 million prior to the spud of any exploration well.

Block 09/05, Bohai Bay (100% and Operator)

Consistent with ROC's growth strategy to boost long term reserves, ROC was awarded a prospective 335 km^2 exploration Block 09/05 with CNOOC for a 100% operated interest in Bohai Bay in May. The block is close to the existing ROC operated Zhao Dong infrastructure.

ROC views the Block as having good potential. Geotechnical work is in progress with planned 3D seismic testing and two exploration wells targeted over the next three years. A farm-out process continues.

Divestments and Withdrawals

During 2012, ROC divested or withdrew from the following assets:

Offshore Mauritania

ROC had interests of between 2.00% and 5.49% in offshore Mauritanian blocks, including a 3.25% interest in the producing Chinguetti Oil Field. The effective date of the sale was 1 January 2011. The transaction was completed during 2012 after all necessary approvals were obtained. ROC received total net cash proceeds of $1.8 million and booked an after-tax net profit of $10.3 million.

Juan de Nova Maritime Profond Block, Offshore French Territory, Mozambique Channel

ROC has agreed to sell its 75% interest in the Juan de Nova Maritime Profond Block, located in the French Exclusive Economic zone off the coast of Juan de Nova Island (Mozambique Channel), to South Atlantic Petroleum JDN SAS, a wholly-owned subsidiary of South Atlantic Petroleum Limited, for US$8.0 million subject to working capital adjustments. The effective date of the sale is 1 July 2011. The agreement is subject to necessary government approvals. At 31 December 2012, these approvals were still outstanding and completion of the sale is anticipated to take place during 1Q2013.

PEP52181, Offshore Taranaki, New Zealand (50% and Operator)

ROC issued a withdrawal notice and resigned as operator effective 18 May 2012. Formal government approval was granted on 15 June 2012.

ONSOLIDATED STATEMENT F COMPREHENSIVE INCOME

r the financial year ended 31 December 2012

	Note	2012 US$'000	2011 US$'000
Sales revenue	4	**242,067**	**285,831**
Operating costs	5	(135,917)	(177,864)
Trading profit		**106,150**	**107,967**
Other income	6	3,967	193
Gain on sale of exploration and development assets		10,315	40
Net derivative losses		(878)	(13,140)
Exploration expensed	7	(18,081)	(13,548)
Reversal of prior period impairment of oil and gas assets	16	–	18,633
Provision for restoration		(3,379)	–
Foreign currency translation reserve gain on liquidation of subsidiary		4,649	–
Impairment of exploration asset		–	(484)
Other costs	8	(13,413)	(12,987)
Finance costs	9	(6,595)	(6,003)
Profit before income tax		**82,735**	**80,671**
Income tax expense	10	(21,781)	(52,924)
Net profit		**60,954**	**27,747**
Other comprehensive income			
Foreign currency translation reserve gain on liquidation of subsidiary		(4,649)	–
Cash flow hedges transferred to trading profit		–	946
Other comprehensive (loss)/income net of tax		**(4,649)**	**946**
Total comprehensive profit attributable to members		**56,305**	**28,693**
Basic earnings per share – cents	25	8.9	3.9
Diluted earnings per share – cents	25	8.8	3.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Note	2012 US$'000	2011 US$'000
Current assets			
Cash assets	*11*	56,783	39,624
Trade and other receivables	*12*	25,474	67,335
Inventories	*15*	658	2,305
Derivatives	*14*	-	1,318
Total current assets		**82,915**	**110,582**
Non-current assets			
Oil and gas assets	*16*	237,292	218,342
Exploration and evaluation expenditure	*17*	1,094	1,169
Property, plant and equipment	*18*	1,080	1,678
Deferred tax assets	*10*	13,021	5,115
Investments in associate companies	*30*	33,422	15,999
Total non-current assets		**285,909**	**242,303**
Total assets		**368,824**	**352,885**
Current liabilities			
Trade and other payables	*21*	36,088	48,136
Current tax liabilities	*10*	9,944	21,195
Provisions	*22*	10,868	13,091
Total current liabilities		**56,900**	**82,422**
Non-current liabilities			
Bank loan	*19*	-	13,082
Deferred tax liabilities	*10*	26,406	31,777
Provisions	*22*	66,869	63,995
Total non-current liabilities		**93,275**	**108,854**
Total liabilities		**150,175**	**191,276**
Net assets		**218,649**	**161,609**
Equity			
Share capital	*23*	734,150	731,150
Accumulated losses		(534,022)	(594,976)
Other reserves		18,521	22,435
Total equity		**218,649**	**161,609**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2012

	Note	Inflow/(Outflow) 2012 US$'000	Inflow/(Outflow) 2011 US$'000
Cash flows from operating activities			
Cash generated from operations	*11*	190,336	176,166
Derivatives paid		(676)	(42,792)
Payments for exploration and evaluation expenses		(5,449)	(11,249)
Interest received		3,965	151
Finance costs paid		(2,866)	(3,473)
Payments for non-production phase for BMG		(12,099)	(21,451)
Income taxes and PRRT paid		(46,950)	(53,958)
Net cash generated from operating activities		**126,261**	**43,394**
Cash flows from investing activities			
Payments for plant and equipment		(104)	(498)
Payments for development expenditure		(59,401)	(35,379)
Payments for exploration and evaluation expenditure initially capitalised		(19,404)	(5,711)
Proceeds from sale of exploration and development assets		1,779	20,518
Adjustment/(payment) for acquisition of additional 5% interest in Cliff Head		551	(2,664)
Investment in associate	*30*	(17,423)	(15,999)
Net cash used in investing activities		**(94,002)**	**(39,733)**
Cash flows from financing activities			
Share buy-back payments	*23*	–	(10,051)
Bank loan repayments		(15,000)	(50,000)
Bank loan advances		–	15,000
Net cash used in financing activities		**(15,000)**	**(45,051)**
Net increase/(decrease) in cash held		**17,259**	**(41,390)**
Cash at beginning of financial year		39,624	80,960
Effect of exchange rate changes on the balance of cash held in foreign currencies		(100)	54
Cash at end of financial year	*11*	**56,783**	**39,624**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2012

	Share Capital US$'000	Accumulated Losses US$'000	Share Equity Reserve US$'000	Foreign Currency Translation Reserve US$'000	Hedge Reserve US$'000	Total US$'000
Balance at 1 January 2011	**744,201**	**(622,723)**	**10,760**	**10,710**	**(946)**	**142,002**
Cancellation of shares	(10,051)	–	–	–	–	(10,051)
Total comprehensive profit net of tax	–	27,747	–	–	946	28,693
Transactions with owners: share-based payments	–	–	965	–	–	965
Balance at 31 December 2011	**734,150**	**(594,976)**	**11,725**	**10,710**	**–**	**161,609**
Total comprehensive profit net of tax	–	60,954	–	(4,649)	–	56,305
Transactions with owners: share-based payments	–	–	735	–	–	735
Balance at 31 December 2012	**734,150**	**(534,022)**	**12,460**	**6,061**	**–**	**218,649**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards and interpretations and other mandatory professional reporting requirements. The financial report has been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value.

The financial report is presented in USD. All values are rounded to the nearest thousand dollars (US$'000) unless otherwise stated under the option available to the Company under the ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

The financial statements were authorised for issue on 27 February 2013 by the Board.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards. The financial report, comprising the consolidated financial statements and notes thereto, also complies with International Financial Reporting Standards.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Group for the reporting period ended 31 December 2012 and are not expected to have a material impact.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits and losses arising within the Group are eliminated in full.

(d) Oil and gas assets

Development expenditure is stated at cost less accumulated depletion and any impairment in value. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the field, on a unit-of-production basis. Costs are amortised only once production begins.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

(e) Exploration and evaluation expenditure

Exploration and evaluation expenditure in respect of each area of interest is accounted for using the successful efforts method of accounting. An area of interest refers to an individual geological area which is considered to constitute a favourable environment for the presence of an oil or gas field, usually represented by an individual oil or gas field.

The successful efforts method requires all exploration and evaluation expenditure in relation to an area of interest to be expensed in the period it is incurred, except the costs of successful wells, the costs of acquiring interests in new exploration assets and pre-development costs where the rights to the tenure of the area of interest are current and the expenditure either:

- is expected to be recovered through sale or successful development and exploitation of the area of interest; or
- relates to an exploration discovery for which at balance date a reasonable assessment of the existence or otherwise of economically recoverable reserves is not yet complete, or additional appraisal work is underway or planned.

Pending assessment of the results of a well, the costs are initially capitalised then expensed or remain capitalised, depending on a review of the results in accordance with successful efforts accounting criteria.

When an oil or gas field has been approved for development, the accumulated exploration and evaluation costs are transferred to oil and gas assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 1. Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is provided on plant and equipment, including freehold buildings but excluding land. Plant and equipment is depreciated on a straight line basis so as to write down these assets to their estimated residual values over their estimated useful lives to the Group.

The following estimated useful lives are used in the calculation of depreciation in the current and prior year:

- plant and equipment 2 – 10 years;
- leasehold improvements 2 – 10 years; and
- motor vehicles under finance leases 2 – 5 years.

Leases of plant and equipment, under which the Group assumes substantially all the risks and benefits of ownership, are classified as finance leases. Finance leases are capitalised and depreciated over their estimated useful lives to the Group.

Operating leases are not capitalised. Payments made under operating leases are charged to the Consolidated Statement of Comprehensive Income in equal instalments over the term of the lease.

(g) Oil and gas stock and materials inventories

Oil and gas stock is valued at the lower of cost and net realisable value. Cost comprises a relevant proportion of all fixed and variable production, overhead, decommissioning and amortisation costs. Net realisable value is determined on the basis of selling prices less expenses to be incurred in transport, pipeline tariffs, handling and royalties, to the point in time where the product passes to the purchaser.

Stocks of materials and spare parts are carried at the lower of cost and net realisable value, with cost primarily determined by the first-in-first-out method utilising an average cost basis.

(h) Under/overlift

Lifting or offtake arrangements for oil produced in jointly-owned operations are such that it is not practicable for each participant to receive or sell its precise share of the overall production during the period. At each reporting date, the extent of underlift is recognised as an asset at the lower of cost and net realisable value. Overlift is recognised as a liability at the current market price of oil. The net movement in underlift and overlift is recognised in the Consolidated Statement of Comprehensive Income in operating costs.

(i) Available-for-sale securities

Available-for-sale securities are those non-derivative financial assets, principally equity securities that are designated as available-for-sale. After initial recognition, available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Consolidated Statement of Comprehensive Income.

(j) Investments

Investments in subsidiaries are carried at cost less any impairment in value.

(k) Provision for restoration

Provision for restoration is recognised when there is a legal or constructive commitment to do so. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. Where no restoration asset exists, the corresponding adjustment is recognised in the Consolidated Statement of Comprehensive Income. The amount recognised is the estimated cost of restoration, discounted to its net present value and is reassessed each year in accordance with local conditions and requirements. This asset is subsequently depleted on a unit-of-production basis. Changes in the estimates of commercial reserves or restoration cost estimates are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to the restoration asset.

The unwinding of the effect of discounting on the restoration provision is included within finance costs.

(l) Cash and cash equivalents

Cash is defined as cash at bank and on hand and money market investments readily convertible to cash.

(m) Investments in associate companies

The Group's investments in its associate companies are accounted for under the equity method of accounting in the consolidated financial statements. An associate company is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The financial statements of the associate companies are used by the Group to apply the equity method. The reporting dates of the associate companies and the Group are identical and both use consistent accounting policies.

The investments in the associate companies are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associate companies, less any impairment in value. The Consolidated Statement of Comprehensive Income reflects the Group's share of the results of operations of the associate companies.

(n) Trade receivables

Trade receivables are recognised and carried at amortised cost less impairment.

(o) Impairment

At each reporting date, the Group assesses whether there is any indication that an asset, other than inventories and deferred tax assets, may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing the value in use, the estimated discounted future cash flows based on management's expectations are used.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the Consolidated Statement of Comprehensive Income, net of any amortisation that would have been charged since the impairment.

(p) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable and the provision can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date.

(q) Revenue

Sales

Sales are recognised in the financial period during which hydrocarbons are produced, provided that prior to the reporting date they are either sold or delivered in the normal course of business in accordance with agreements with purchasers.

Sales revenue represents amounts invoiced, excluding GST or value added taxes, in respect of sales to purchasers.

Sales revenue is stated net of the impact of oil and gas price hedge contracts entered into by the Group to reduce future oil and gas price exposure.

Interest

Interest is recognised as the interest accrues to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 1. Summary of Significant Accounting Policies (continued)

(r) Finance costs

Finance costs are recognised as an expense when incurred and are calculated using the effective interest rate method. This method amortises the transaction costs over the term of the borrowing.

(s) Share-based payment transactions

Share-based compensation benefits are provided to employees via the Long Term Incentive Plan, the Employee Share Option Plan and the Executive Share Option Plan. Both share option plans have now been discontinued and no new issues under either of these plans will occur.

These equity-settled transactions with employees are measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Monte Carlo simulation technique. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to market performance.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects: (i) the extent to which the vesting period has expired; and (ii) the number of awards that, in the opinion of the Directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

The dilutive effect, if any, of outstanding options and share rights is reflected as additional share dilution in the computation of earnings per share.

(t) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable in respect of taxable profits. It is calculated by using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Tax for the current and prior periods is recognised as a liability to the extent that it is unpaid.

Deferred tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. A deferred income tax liability is recognised for all taxable temporary differences except where:

- the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associate companies and interests in joint ventures, the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

method

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Comprehensive Income.

Where deferred tax arises from the initial accounting for a business combination, it is taken into account in the determination of goodwill.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. ROC is the head entity in the tax consolidated group.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'stand-alone taxpayer' approach. Current tax liabilities and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax consolidated group in accordance with the arrangement.

Petroleum Resource Rent Tax

Petroleum Resource Rent Tax (PRRT) is accounted for as income tax.

(u) Goods and services tax

Revenue, expenses and assets are recognised net of amounts of GST, except where the amount of GST incurred is not recoverable from the taxation authority in which case the GST is recognised as part of the item of expenditure.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

(v) Derivative financial instruments

Derivative contracts are entered into to limit the financial exposure of the entity in relation to commodity prices. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are transferred to profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or is redesignated to discontinue hedge accounting. At that time, any cumulative gain or loss recognised in equity is kept in equity until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is transferred to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 1. Summary of Significant Accounting Policies (continued)

(v) Derivative financial instruments (continued)

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

(w) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in United States dollars, which is ROC's functional currency.

ROC has identified USD as its functional and presentation currency for the following reasons:

- a significant portion of ROC's activity is denominated in USD;
- a significant portion of ROC's assets and liabilities is denominated in USD; and
- USD is primarily the global currency used in the oil industry.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Group companies

The results and financial position of Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to equity. When a foreign operation is sold, a proportionate share of such exchange differences is recognised in the Consolidated Statement of Comprehensive Income, as part of the gain or loss on sale.

(x) Employee benefits

Liability to employees for annual leave and long service leave is provided for when it is probable that settlement will be required and it is capable of being measured reliably. All employment related on-costs (including payroll tax and superannuation contributions) are included in the calculation of the required provision. Provisions for annual leave in respect of services provided by employees up to the reporting date expected to be settled within 12 months, are measured using remuneration levels expected to apply at the time of settlement.

Provisions for annual leave and long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

(y) Interest in joint venture operations

Interests in joint venture operations, where there is joint control, have been reported in the financial statements by including the Group's share of assets and liabilities of the joint venture and its share of any income and expenses incurred.

(z) Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates.

When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

Note 2. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or the financial position reported in future periods.

Further details of these assumptions and conditions may be found in the relevant notes to the financial statements.

(a) Significant accounting judgements

Exploration and evaluation

The Group's accounting policy for exploration and evaluation assets is set out at Note 1(e). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the Consolidated Statement of Comprehensive Income.

(b) Significant accounting estimates and assumptions

Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows. For oil and gas properties, expected future cash flow estimation is based on reserves, future production profiles, commodity prices and costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 2. Significant Accounting Judgements, Estimates and Assumptions (continued)

(b) Significant accounting estimates and assumptions (continued)

Restoration obligations

The Group estimates the future removal costs of on and offshore oil and gas platforms, production facilities, wells and pipelines at the time of installation of the assets. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal data, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating costs, future removal technologies in determining the removal cost, and asset specific discount rates to determine the present value of these cash flows. For more details regarding the policy in respect of the provision for restoration, refer to Note 1(k).

Reserve estimates

Estimates of recoverable quantities of proved and probable reserves reported include judgemental assumptions regarding commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of amortisation charged to the Consolidated Statement of Comprehensive Income. Reserve estimates are prepared in accordance with guidelines prepared by the Society of Petroleum Engineers.

Note 3. Financial Risk Management Objectives and Policies

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The use of financial instruments is governed by the Group's policies approved by the Board, which provide written principles on the use of financial derivatives.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk and commodity price risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to foreign exchange and interest rate risk and assessments of market forecasts for foreign exchange rates, interest rates and commodity prices. Monitoring of specific debtor balances is undertaken to manage credit risk and liquidity risk is monitored through the development of future rolling cash flow forecasts.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments.

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

The Group does not hold any credit derivatives to offset its credit exposure.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are assessed for each individual customer and are regularly monitored.

In addition, receivable balances are monitored on an ongoing basis, with the result being that the Group's exposure to bad debts is not significant. Currently, there are no material receivables that are in arrears.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

For the financial year ended 31 December 2012

Consolidated (US$'000)	6 months or less	6 months - 1 year	1 - 4 year(s)	Total
Trade and other payables	36,088	–	–	36,088
	36,088	**–**	**–**	**36,088**

For the financial year ended 31 December 2011

Consolidated (US$'000)	6 months or less	6 months - 1 year	1 - 4 year(s)	Total
Trade and other payables	48,136	–	–	48,136
Bank loan	282	282	16,410	16,974
	48,418	**282**	**16,410**	**65,110**

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk framework for the management of the Group's short, medium and longer term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate banking and borrowing facilities and through the monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of the settlement of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 3. Financial Risk Management Objectives and Policies (continued)

Market risk

AASB 7 *Financial Instruments: Disclosures* requires disclosures that categorise assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. Level 1 inputs are quoted prices in active markets, Level 2 inputs are observable inputs other than quoted prices, and Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy for the financial assets and liabilities accounted for as at 31 December 2012 consisted of the oil price derivatives as disclosed in Note 14 which have been classified as Level 2. There were no Level 1 or Level 3 financial assets or liabilities as at 31 December 2012, and there were no movements between any of the levels during the period.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices, will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivatives, and also incurs financial assets and liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Audit and Risk Committee.

Foreign currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities.

The majority of the Group's cash flows are denominated in USD; however, the Group is exposed to certain non-USD cash balances. As at 31 December 2012, the non-USD cash balances amounted to US$26.6 million. The impact on the profit for the year assuming a +10% or -10% change in the foreign exchange rate would be US$2.7 million (2011: US$0.8 million).

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash assets (refer to Note 11) and long term debt obligations and the level of debt (refer to Note 19).

A change of 100 basis points per annum in interest rates at the reporting date would have increased or decreased profit for the year by US$0.1 million (2011: US$0.3 million). This analysis assumes that all other variables remain constant. As a result, the Group's exposure to interest rate risk is minimal.

Commodity price risk

The Group is exposed to the movement in commodity prices, primarily the movement in oil price. In order to manage this exposure and its effect on sales revenue, the Group enters into certain derivative instruments, in relation to the commodity price of a proportion of its forecast production from time to time in accordance with the Board approved hedging policy.

These derivatives tend to be priced using benchmarks which correlate as far as possible to the underlying oil revenue (refer to Note 14).

At 31 December 2012, the Group had no derivatives (2011: US$1.3 million asset).

The following sensitivity is based on the crude oil price risk exposures for derivatives in existence at the balance date. Had the crude oil price moved, as illustrated below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

		Post-Tax Profit Higher/Lower		Equity Higher/Lower	
		2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
Judgement of reasonably possible movements					
Consolidated					
Crude oil price	+US$10/BBL	–	(1,492)	–	–
Crude oil price	-US$10/BBL	–	1,492	–	–

Fair value of financial instruments

The Directors consider that the carrying amounts of the financial assets and liabilities recorded in the financial statements approximate their fair values unless otherwise stated.

The fair values are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on an active liquid market is determined with reference to the quoted price; and
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Capital management

The Group's objective when managing capital is to maintain an efficient capital structure so that it can continue to provide returns for shareholders and benefits for other stakeholders. Capital requirements are determined based on rolling forecasts of operating and capital expenditure cash flows which are based on assumptions on oil prices, production and exploration and development capital costs. The Group manages its capital (debt plus equity) by maintaining adequate banking facilities and other funding and adjusting discretionary capital expenditure as appropriate.

	2012 US$'000	2011 US$'000
Note 4. Sales Revenue		
Oil	240,786	286,757
NGL	1,281	20
Hedging loss	–	(946)
	242,067	**285,831**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2012 US$'000	2011 US$'000
Note 5. Operating Costs		
Production costs	35,710	46,885
Amortisation	70,871	84,500
Movement in stock and overlift	(2,536)	3,341
Royalty and other levies	31,872	43,138
	135,917	**177,864**

Note 6. Other Income

Interest income – external	3,967	193
	3,967	**193**

Note 7. Exploration Expensed

Africa	(298)	5,052
China	12,105	–
Other	6,274	8,496
	18,081	**13,548**

Note 8. Other Costs

Operating lease expenses	950	681
Depreciation	810	795
General and administration costs	10,310	9,965
Share-based payments	735	965
Net foreign currency loss	608	581
	13,413	**12,987**

Note 9. Finance Costs

Interest expensed on bank loans	607	510
Unwinding of discount – restoration provision	3,684	3,632
Other finance costs	2,304	1,861
	6,595	**6,003**

	2012 US$'000	2011 US$'000

Note 10. Income Tax

(a) Composition of income tax

	2012 US$'000	2011 US$'000
Income tax charge – current period	(33,457)	(54,334)
Income tax credit/(charge) – prior period	15,688	(346)
PRRT – current period	(17,289)	(5,974)
Deferred income tax – current period	11,259	13,395
Deferred income tax – change in tax rate	–	(5,401)
Deferred income tax – PRRT	2,018	(264)
Income tax expense	**(21,781)**	**(52,924)**

The prior period adjustment relates mainly to Research & Development and timing differences.

(b) Recognised tax liabilities and assets

	2012 Current Tax Liabilities US$'000	2012 Deferred Income Tax Liabilities US$'000	2011 Current Tax Liabilities US$'000	2011 Deferred Income Tax Liabilities US$'000
Opening balance	(21,195)	(26,662)	(14,786)	(34,392)
(Charged)/credited to income	(35,059)	13,277	(60,654)	7,730
Cash payments	46,950	–	53,958	–
Asset sold	(403)	–	–	–
Translation loss	(237)	–	287	–
	(9,944)	**(13,385)**	**(21,195)**	**(26,662)**

Deferred income tax at 31 December relates to the following:

	2012 US$'000	2011 US$'000
(i) Deferred tax assets		
Asset timing differences	8,980	2,550
Provisions	4,041	2,565
Net deferred tax assets	**13,021**	**5,115**
(ii) Deferred tax liabilities		
Asset timing differences	(20,261)	(22,862)
Provisions	3,726	2,975
PRRT	(9,871)	(11,890)
Net deferred tax liabilities	**(26,406)**	**(31,777)**
Total net deferred tax liabilities	**(13,385)**	**(26,662)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 10. Income Tax (continued)

	2012 US$'000	2011 US$'000
(c) Tax losses		
Tax losses not recognised - revenue	68,944	84,999

(d) Income tax reconciliation

The prima facie income tax expense on pre-tax accounting profit reconciles to income tax expense in the financial statements as follows:

Profit before income tax	**82,735**	**80,671**
Prima facie income tax expense calculated as 30% of profit before income tax	(24,821)	(24,201)
Tax effect of adjustments		
Non-deductible expenses	(1,497)	(4,231)
Non-assessable income	4,489	–
Overseas tax rate differential	(1,198)	(10,713)
Prior year over/(under) provision	15,688	(346)
Tax losses not brought into account	(2,257)	(8,566)
PRRT	(15,270)	(6,238)
Other	3,085	1,371
Income tax expense	**(21,781)**	**(52,924)**

(e) Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. ROC is the head entity in the tax consolidated group.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'stand-alone taxpayer' approach. Current tax liabilities and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax consolidated group in accordance with the arrangement.

	2012 US$'000	2011 US$'000

Note 11. Cash Assets

	2012 US$'000	2011 US$'000
Cash and cash equivalents	56,783	39,624
	56,783	**39,624**

Reconciliation of net profit before tax to cash generated from operations		
Net profit before tax	82,735	80,671
Add/(less) non-cash items		
Amortisation	70,871	84,500
Reversal of prior period impairment of oil and gas assets	–	(18,633)
Provision for restoration costs	3,379	–
Depreciation	810	795
Other provisioning	146	445
Net foreign currency loss	608	581
Gain on sale of oil and gas exploration and development assets	(10,315)	(40)
Foreign currency translation reserve gain on liquidation of subsidiary	(4,649)	-
Share-based payments	735	965
Add/(less) non-operating items		
Net derivative losses	878	14,086
Interest income	(3,967)	(193)
Finance costs	6,595	6,003
Exploration expensed	18,081	13,548
Impairment of exploration asset	–	484
Changes in net assets and liabilities		
Decrease/(increase) in current trade and other receivables	43,204	(35,517)
Decrease in inventories	1,647	1,249
(Decrease)/increase in trade and other payables	(20,422)	27,222
Cash generated from operations	**190,336**	**176,166**

Note 12. Trade and Other Receivables

Trade receivables	16,991	51,561
Other receivables	8,483	15,774
	25,474	**67,335**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

	2012 US$'000	2011 US$'000
Note 13. Information Relating to Roc Oil Company Limited ('parent entity')		
Current assets	185,538	10,063
Total assets	224,048	107,134
Current liabilities	3,324	3,424
Total liabilities	4,552	4,536
Net assets	**219,496**	**102,598**
Share capital	734,150	734,150
Accumulated losses	(596,697)	(712,860)
Share equity reserve	12,459	11,724
Foreign currency translation reserve	69,584	69,584
Total equity	**219,496**	**102,598**
Net profit of the parent entity	116,163	23,026
Total comprehensive profit of the parent entity	116,163	23,026

The Company's present intention is to provide the necessary financial support for all Australian incorporated controlled entities, whilst they remain controlled entities, as is necessary for each company to pay all debts when they become due.

The Company has guaranteed the performance of Roc Oil (Finance) Pty Limited and other ROC subsidiaries in relation to finance obligations under the loan facility referred to in Note 19. The Company has provided a parent company guarantee to Petroliam Nasional Berhad (PETRONAS) guaranteeing the performance of the obligation of its 48% interest in Balai Cluster Risk Service Contract.

Note 14. Derivatives

	2012 US$'000	2011 US$'000
At fair value:		
Oil price swaps	–	1,318
	–	**1,318**

Note 15. Inventories

	2012 US$'000	2011 US$'000
Oil and gas stock	658	2,305
	658	**2,305**

	Producing Assets US$'000	Assets under Development US$'000	Total US$'000
Note 16. Oil and Gas Assets			
Costs			
Balance at 1 January 2011	953,246	16,375	969,621
Development expenditure incurred	27,260	3,496	30,756
Increase in restoration asset	3,777	–	3,777
Acquisition cost	2,112	–	2,112
Costs at 31 December 2011	986,395	**19,871**	**1,006,266**
Development expenditure incurred	26,667	38,609	65,276
Increase in restoration asset	8,542	6,056	14,598
Transfer from exploration and evaluation expenditure	–	10,973	10,973
Asset disposal	(46,575)	–	(46,575)
Costs at 31 December 2012	**975,029**	**75,509**	**1,050,538**
Accumulated amortisation			
Balance at 1 January 2011	(722,057)	–	(722,057)
Charge for the year	(84,500)	–	(84,500)
Reversal of prior period impairment of oil and gas assets (see note (a) below)	18,633	–	18,633
Accumulated amortisation at 31 December 2011	(787,924)	–	(787,924)
Charge for the year	(70,871)	–	(70,871)
Asset disposal	45,549	–	45,549
Accumulated amortisation at 31 December 2012	**(813,246)**	**–**	**(813,246)**
Net book value at 31 December 2012	**161,783**	75,509	**237,292**
Net book value at 31 December 2011	198,471	19,871	218,342

Impairment

Impairment tests are performed when there is an indication of impairment. Each oil and gas producing asset is considered a separate cash-generating unit.

The asset valuations are based on cash flow forecasts using 2P reserves. The key assumptions used in the cash flow forecasts include the following:

- oil price: forward market for two years and US$90/BBL (2011: US$85/BBL) thereafter; and
- discount rates: the post-tax discount rate of 10% per annum.

Asset valuations, based on cash flow projections, use a range of assumptions that are subject to change. Accordingly, losses are sensitive to reasonable possible changes in key assumptions

(a) In 2011 the reversal of prior period impairment was attributable to a reversal of a prior year impairment of US$18.6 million (US$14.0 million post tax) for the Zhao Dong Oil Field as a result of the discounted cash flow, using a pre-tax discount rate of 14% per annum, improving due to higher oil prices and a favourable change in the Chinese special oil income levy compared to year end 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

	2012 US$'000	2011 US$'000
Note 17. Exploration and Evaluation Expenditure		
Opening balance	1,169	4,867
Expenditure incurred	28,979	15,917
Expenditure transferred to assets under development	(10,973)	-
Amounts expensed	(18,081)	(13,548)
Assets sold	–	(5,583)
Impairment of exploration asset	–	(484)
	1,094	**1,169**

The ultimate recovery of the capitalised exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or the commercial sale of the relevant areas of interest.

Note 18. Property, Plant and Equipment

	2012 US$'000	2011 US$'000
Costs		
Opening balance	7,759	7,261
Expenditure incurred	212	498
Costs at 31 December	**7,971**	**7,759**
Accumulated depreciation		
Opening balance	(6,081)	(5,286)
Charge	(810)	(795)
Accumulated depreciation at 31 December	**(6,891)**	**(6,081)**
Net book value	**1,080**	**1,678**

	2012 US$'000	2011 US$'000

Note 19. Bank Loans

	2012 US$'000	2011 US$'000
(a) Secured bank loan - maturing June 2015	–	13,082
Total	**–**	**13,082**

(b) Terms and conditions

Secured bank loan

The amortising facility, maturing in June 2015, has been provided by Commonwealth Bank of Australia, BNP Paribas (Sydney Branch) and Sumitomo Mitsui Banking Corporation.

The annual interest rate is USD LIBOR plus a fixed margin. The effective interest rate is 3.74% per annum.

(c) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	2012 US$'000	2011 US$'000
Total loan facilities:	91,000	110,000
Facilities used at reporting date:	–	15,000
Facilities unused at reporting date:	91,000	95,000

(d) Assets mortgaged as security

Secured bank loan

The Company has guaranteed the performance of Roc Oil (Finance) Pty Limited and other ROC subsidiaries (which have also given guarantees) and related hedging agreements in relation to the loan facility from Commonwealth Bank of Australia, BNP Paribas (Sydney Branch) and Sumitomo Mitsui Banking Corporation. Roc Oil (Finance) Pty Limited has granted a first registered fixed and floating charge over all its assets and undertakings and the Company has granted a first registered featherweight floating charge over all its assets and undertakings in favour of CBA Corporate Services (NSW) Pty Limited as security trustee. In addition, the shares of the following ROC subsidiaries have been mortgaged to CBA Corporate Services (NSW) Pty Limited: Roc Oil (WA) Pty Limited, Roc Oil (Bohai) Company, Roc Oil (China) Company and Roc Oil (GB) Limited. Roc Oil (GB) Limited has also granted a charge over its proceeds account to CBA Corporate Services (NSW) Pty Limited as security trustee. The net book value of Roc Oil (Finance) Pty Limited and the entities in which shares have been mortgaged is US$198.5 million.

(e) Foreign exchange, interest rate and liquidity risks

Information regarding foreign exchange, interest rate and liquidity risks of the bank loan is set out in Note 3.

(f) Fair value

The fair value of the Group borrowings was US$Nil (2011: US$15,000,000).

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Note 20. Controlled Entities

Name of Entity	Country of Incorporation	Ownership and Voting Interest 2012 %	Ownership and Voting Interest 2011 %
Parent entity			
Roc Oil Company Limited	Australia		
Controlled entities			
Roc Oil (WA) Pty Limited	Australia	100	100
Roc Oil (Madagascar) Pty Limited	Australia	100	100
Roc Oil Australia Holdings Pty Ltd	Australia	100	100
Roc Oil International Holdings Pty Ltd	Australia	100	100
Elixir Corporation Pty Ltd	Australia	–(1)	100
Roc Oil (Finance) Pty Limited	Australia	100	100
Anzon Energy Pty Limited	Australia	100	100
Roc Oil (VIC) Pty Limited	Australia	100	100
Roc Oil (Exploration No. 1) Pty Limited	Australia	100	100
Roc Oil (Ventures) Pty Limited	Australia	100	100
Roc Oil (Taranaki) Pty Limited	Australia	100	100
Roc Oil (Tasman) Pty Limited	Australia	100	100
Roc Oil (Malaysia) Pty Limited	Australia	100	100
Roc Oil Malaysia (Holdings) Sdn Bhd	Malaysia	100	100
Anzon Energy Mauritius	Mauritius	100	100
Anzon Investments Limited	Mauritius	100	100
Anzon Africa Limited	Mauritius	100	100
PT Anzon Energy Indonesia	Indonesia	100	100
Roc Oil (New Zealand) Limited	New Zealand	–(1)	100
Anzon Energy Nigeria Limited	Nigeria	100	100
Roc Oil Holdings (Cayman Islands) Company	Cayman Islands	100	100
Roc Oil (Bohai) Company	Cayman Islands	100	100
Roc Oil (China) Company	Cayman Islands	100	100
Roc Oil (Cabinda) Company	Cayman Islands	100	100
Roc Oil (Mauritania) Company	Cayman Islands	100	100
Roc Oil (Casamance) Company	Cayman Islands	–(1)	100
Roc Oil (Equatorial Guinea) Company	Cayman Islands	100	100
Roc Oil (Angola) Ltd	Cayman Islands	100	100
Lacula Oil Company Ltd	Cayman Islands	100	100
Roc Oil (Maboque) Company	Cayman Islands	–(1)	100
Roc Oil (Falklands) Limited	United Kingdom	100	100
Roc Oil (Europe) Limited	United Kingdom	100	100
Roc Oil (GB Holdings) Limited	United Kingdom	100	100
Roc Oil (GB) Limited	United Kingdom	100	100
Roc Oil (North Sea) Limited	United Kingdom	100	100
Roc Oil (Chinguetti) B.V.	Netherlands	100	100

(1) Liquidated during the period.

Note 21. Current Trade and Other Payables

	2012 US$'000	2011 US$'000
Trade and other payables	21,369	30,847
Accrued liabilities	13,126	12,072
Stock overlift	1,593	5,217
	36,088	**48,136**

Note 22. Provisions

	Employee Benefits US$'000	Restoration US$'000	Total US$'000
Balance at 1 January 2012	2,661	74,425	77,086
Additions	1,772	22,351	24,123
Disposals	–	(10,173)	(10,173)
Unwinding of discount	–	3,684	3,684
Utilised	(1,626)	(15,410)	(17,036)
Translation adjustments	53	–	53
Balance at 31 December 2012	**2,860**	**74,877**	**77,737**
Current – 2012	1,632	9,236	10,868
Non-current – 2012	1,228	65,641	66,869
Total 2012	**2,860**	**74,877**	**77,737**
Current – 2011	1,548	11,543	13,091
Non-current – 2011	1,113	62,882	63,995
Total 2011	**2,661**	**74,425**	**77,086**

The employee benefits provisions relate to annual leave and long service leave.

The restoration provisions relate to the estimated costs associated with the restoration of sites that will be incurred at the conclusion of the economic life of the asset. The additions during the year relates to re-determination of the abandonment provision for Cliff Head, Zhao Dong and Beibu. The utilised amount of US$15.4 million relates to cost incurred to suspend the BMG project. The legislation in China also requires the provision for abandonment to be paid over the remaining life of the field; accordingly, US$6.3 million abandonment provision for Zhao Dong and Beibu is shown in current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2012 Number of Shares	2011 Number of Shares	2012 US$'000	2011 US$'000
Note 23. Share Capital				
Balance at beginning of financial year	682,506,352	713,154,560	734,150	744,201
Issue of shares pursuant to the exercise of rights under the Long Term Incentive Plan	729,200	100,000	–	–
Cancellation of shares pursuant to the Company's on-market share buy-back	–	(30,748,208)	–	(10,051)
Balance at end of financial year	**683,235,552**	**682,506,352**	**734,150**	**734,150**

All issued fully paid ordinary shares carry one vote per share and carry the right to dividends.

Note 24. Employee Benefits

(a) Long Term Incentive Plan ('LTI')

The employee LTI is an "at risk" equity-based incentive plan designed to generate performance-based awards of share rights that may be converted into fully paid ordinary shares in the Company on satisfaction of performance conditions and Board approval.

Features of the LTI include:

- there is a grant of rights to acquire fully paid ordinary shares in the Company, at no cost to a participant;
- the number of rights granted is based on an employee's level in the Company and individual and/or Company performance;
- the rights will only become exercisable if certain performance conditions are met within defined periods;
- there will be three tiers of rights with separate vesting criteria:
  - Tier One - vesting will occur subject to the satisfaction of the performance condition which relates to the Total Shareholder Return ('TSR') growth of ROC measured over the performance period;
  - Tier Two - vesting will occur subject to the satisfaction of the performance condition which relates to a relative TSR test over the performance period against a subset of conventional oil and gas companies; and
  - Tier Three - vesting will be subject to a participant being continuously employed by the Group throughout the performance period. The number of rights granted under Tier Three cannot exceed 20% of the total grant;
- there is no re-testing of performance conditions; and
- the rights lapse when a participant ceases to be employed by ROC other than in certain circumstances relating to death, injury, permanent disability, redundancy, retirement or sale of business.

A summary of the rights granted under the LTI is as follows:

Grant Date	Vesting Date	Opening Balance 1 Jan 2012	Granted	Exercised	Lapsed/ Cancelled	Closing Balance 31 Dec 2012	ROC Share Price at Date of Issue A$
29 March 2010	29 March 2012	1,895,000	–	(729,200)	(1,165,800)	–	0.36
12 November 2010	12 November 2013	4,980,000	–	–	(801,000)	4,179,000	0.43
7 March 2011	7 March 2014	1,500,000	–	–	–	1,500,000	0.39
16 December 2011	16 December 2014	5,475,000	–	–	(935,000)	4,540,000	0.27
29 February 2012	1 March 2015	–	500,000	–	–	500,000	0.41
13 September 2012	13 September 2015	–	500,000	–	–	500,000	0.38
		13,850,000	**1,000,000**	**(729,200)**	**(2,901,800)**	**11,219,000**	

The fair value of the rights has been calculated at the grant date and allocated to each reporting period from grant date to vesting date. The rights outstanding at 31 December 2012 have a fair value in the range of A$0.20 to A$0.33 each, and a weighted average remaining contractual life of 1.5 years.

The fair value of the rights has been calculated using the Monte Carlo simulation technique with the following assumptions for each grant date:

	13 September 2012	29 February 2012
Share price	A$0.38	A$0.41
Share price volatility	65%	65%
Risk free rate per annum	2.7%	3.6%
Dividend yield per annum	0%	0%
Share price correlation between companies	35%	30%

The rights granted during the year are subject to non-market performance conditions. Non-market performance conditions are not taken into account in the grant date fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 24. Employee Benefits (continued)

(b) Employee Share Option Plan and Executive Share Option Plan

The Company has two share option plans, the Employee Share Option Plan and the Executive Share Option Plan. These plans were replaced in 2010 by the LTI and no new issues under either option plans will occur. The details of the option plans are set out below:

Employee Share Option Plan

Under the Employee Share Option Plan, the options granted vest after two years. Options expire five years after they are granted.

The exercise price of the options is the price of the sale of ROC shares on the ASX on the day of the grant.

Options may be exercised two years after the date the option was granted. If there is a change of control of the Company, all unexercised options will become immediately exercisable.

The following table reconciles the outstanding share options granted under the Employee Share Option Plan at the beginning and end of the financial year:

	2012		2011	
	Number of Options	Weighted Average Exercise Price A$	Number of Options	Weighted Average Exercise Price A$
Balance at beginning of financial year	2,670,000	0.79	3,611,500	1.29
Granted	–	–	–	–
Exercised	–	–	–	–
Forfeited	(792,000)	0.66	(135,000)	0.56
Lapsed	–	–	(806,500)	3.05
Balance at end of financial year	**1,878,000**	**0.85**	**2,670,000**	**0.79**
Exercisable	**1,878,000**	**0.85**	**2,670,000**	**0.79**

The range of exercise prices at the end of the financial year is between A$0.54 and A$2.51 per share, with a weighted average remaining contractual life of 0.9 years.

Executive Share Option Plan

Under the rules of the Executive Share Option Plan, 30% of the options granted vest after two years. An additional 30% vest after three years and the remaining 40% vest after four years. Options expire six years after they are granted. Of the options granted to an employee, 50% are performance options and are only exercisable if certain share performance benchmarks are met and 50% are price options which require share price performance measures to be met.

The exercise price of performance options is calculated as the volume weighted average price for sale of ROC shares on the ASX in the 90 days before the grant date. The exercise price for price options is calculated as 115%, 122.5% and 130% of this price respectively over the vesting period.

	2012		2011	
	Number of Options	Weighted Average Exercise Price A$	Number of Options	Weighted Average Exercise Price A$
Balance at beginning of financial year	4,126,000	2.99	5,671,500	2.96
Granted	–	–	–	–
Exercised	–	–	–	–
Forfeited	(590,000)	3.05	(955,000)	3.50
Lapsed	(2,036,000)	3.43	(590,500)	1.86
Balance at end of financial year	**1,500,000**	**2.36**	**4,126,000**	**2.99**
Exercisable	**1,500,000**	**2.36**	**1,183,000**	**2.74**

The range of exercise prices at the end of the financial year is between A$0.65 and A$4.13 per share, with a weighted average remaining contractual life of 1.2 years.

(c) Superannuation plans

The Company makes contributions to complying accumulation type superannuation plans nominated by individual employees. The contribution made by the Company contributes at least the amount required under the Superannuation Guarantee Law. The amount recognised as an expense was US$783,474 for the financial year ended 31 December 2012 (2011: US$666,410).

(d) Employee benefits expensed

	2012 US$'000	2011 US$'000
Salaries and wages	13,392	14,752
Share-based payments	735	965
Other associated personnel costs	2,442	2,660
	16,569	**18,377**

Salaries and wages and other associated personnel costs are allocated to various Consolidated Statement of Comprehensive Income categories based on the nature of the expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 25. Earnings per Share

Basic earnings per share amounts are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year, adjusted by the effects of dilutive share options and rights.

The following table reflects the share data used in the total operations' basic and diluted earnings per share computations:

	2012 Number of Shares	2011 Number of Shares
Weighted average number of ordinary shares for basic earnings per share	682,992,485	705,265,487
Effect of dilution:		
Rights	12,788,981	8,656,904
Adjusted weighted average number of ordinary shares for diluted earnings per share	695,781,466	713,922,391
Weighted average number of converted, lapsed or cancelled potential ordinary shares included in the calculation of diluted earnings per share	1,550,778	300,137
Weighted average number of shares that were not included in the calculation of earnings per share as they are anti-dilutive	-	-

Note 26. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer in assessing performance and in determining the allocation of resources.

The operating segments identified by management are based on each individual oil and gas field. Discrete pre-tax financial information about each of these fields is reported to the Chief Executive Officer on a monthly basis.

For the financial year ended 31 December 2012:

US$'000	BMG Australia	Cliff Head Australia	Blane UK	Enoch UK	Chinguetti Africa	Zhao Dong China	Beibu China	Other	Total
Sales revenue	–	54,011	23,630	2,494	4,538	157,376	–	18	242,067
Production costs	–	12,557	3,900	2,633	1,744	14,860	–	16	35,710
Amortisation	–	8,068	5,137	243	432	56,988	–	3	70,871
Segment results[1]	–	33,323	15,016	(1,488)	1,814	57,483	–	2	106,150
Exploration and Development expenditure incurred	–	–	–	–	–	36,919	51,359	5,977	94,255
Segment assets	1,058	44,018	25,264	7,915	–	110,739	79,792	1,133	269,919
Current restoration provision	2,887	–	–	–	–	5,372	977	–	9,236
Non-current restoration provision	27,728	14,588	4,875	2,577	-	10,794	5,079	-	65,641

For the financial year ended 31 December 2011:

US$'000	BMG Australia	Cliff Head Australia	Blane UK	Enoch UK	Chinguetti Africa	Zhao Dong China	Beibu China	Other	Total
Sales revenue	297	43,831	57,224	11,006	6,018	168,375	–	(920)	285,831
Production costs	–	20,796	4,389	989	2,796	17,886	–	29	46,885
Amortisation	–	6,860	9,625	1,958	1,093	64,962	–	2	84,500
Segment results[1]	41	16,430	31,798	8,507	2,839	49,304	–	(952)	107,967
Reversal of prior period impairment of oil and gas assets	–	–	–	–	–	(18,633)	–	484	(18,149)
Exploration and Development expenditure incurred	–	–	(201)	–	22	27,439	3,999	15,414	46,673
Segment assets	975	52,718	41,412	9,146	2,597	155,087	25,084	1,411	288,430
Current restoration provision	9,928	–	–	–	–	1,615	–	–	11,543
Non-current restoration provision	26,653	11,759	3,732	2,218	9,876	8,644	–	–	62,882

Note:

(1) Total segment results ('trading profit') is reconciled to profit before income tax in the Consolidated Statement of Comprehensive Income.

In assessing the segment performance on a monthly basis, the Executive Committee analyses the segment results as described above and its relation to segment assets. Segment assets are those operating assets of the entity that the Executive Committee views as directly attributable to the performance of the segment. These assets include cash, trade receivables, inventories and oil and gas assets.

In this period Beibu China has been separately identified as a segment as the field is nearing production.

During the financial year ended 31 December 2012, all oil and gas sales have been made to various international oil companies. For each segment, with the exception of Chinguetti, sales have been made to individual customers.

Reconciliation of segment assets to total assets:

	2012 US$'000	2011 US$'000
Segment assets	269,919	288,430
Cash assets	45,539	36,122
Receivables	18,864	10,656
Property, plant and equipment	1,080	1,678
Investments in associate companies	33,422	15,999
Total assets per the Consolidated Statement of Financial Position	**368,824**	**352,885**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 27. Related Party Disclosures

ROC and its controlled entities engage in a variety of related party transactions in the ordinary course of business. These transactions are generally conducted on normal terms and conditions.

Details of related party transactions and amounts are set out in:

- Note 20 as to investments in controlled entities;
- Note 30 as to investments in associate companies; and
- Note 32 as to disclosures relating to key management personnel.

	2012 US$'000	2011 US$'000
Note 28. Commitments for Expenditure		
(a) Capital commitments		
Not longer than one year		
Joint ventures	28,824	23,479
Longer than one year but not longer than five years		
Joint ventures	11,000	-
	39,824	**23,479**
(b) Operating lease expenditure commitments		
Not longer than one year	4,781	3,285
Longer than one year but not longer than five years	5,178	4,842
Longer than five years	93	1,177
	10,052	**9,304**

Note 29. Joint Ventures

The Group has an interest (rounded to two decimal places) in the following joint ventures as at 31 December 2012:

Country	Block	Principal Activities	Interest 2012 %	Interest 2011 %
Australia	WA-31-L (Cliff Head)	Oil production	42.50	42.50
	L14 (Jingemia)	Oil production	0.25	0.25
	VIC/L26, VIC/L27, VIC/L28 (BMG)	Oil production	37.5[(1)]	30.00
New Zealand	PEP52181	Oil and gas exploration	–[(2)]	50.00
Equatorial Guinea	Block H	Oil and gas exploration	20.00	20.00
Mauritania	Area A	Oil and gas exploration	–[(3)]	4.16
	Area B (Chinguetti)	Oil and gas exploration/ production	–[(3)]	3.69/3.25[(4)]
	Area C Block 2	Oil and gas exploration	–[(3)]	5.49
	Area C Block 6	Oil and gas exploration	–[(3)]	5.00
	Block 1	Oil and gas exploration	–[(3)]	2.00
	Block 7	Oil and gas exploration	–[(3)]	4.95
Mozambique Channel	Juan de Nova Maritime Profond (France)	Oil and gas exploration	75.00[(5)]	75.00[(5)]
China	Beibu Gulf Development Areas (formerly Block 22/12)	Oil and gas development	40.00/19.60[(6)]	40.00/19.60[(6)]
	Zhao Dong Block (C and D Fields/C4 Field)	Oil development/production	24.50/11.58[(7)]	24.50/11.58[(7)]
	Chenghai and Zhanghai Blocks	Oil appraisal/development/ production	80.00/39.20[(8)]	80.00/39.20[(8)]
	Bohai 09/05	Oil and gas exploration	100.00	-
UK North Sea	P111 (Block 30/3a Upper) (Blane)	Oil and gas production	15.24/12.50[(9)]	15.24/12.50[(9)]
	P219 (Block 16/13a and 16/13e) (Enoch)	Oil and gas production	15.00/12.00[(9)]	15.00/12.00[(9)]

Note:

(1) The withdrawal of CIECO Exploration and Production (Australia) Pty Ltd from the BMG Joint Venture, effective 31 December 2012, is being finalised amongst the joint venture parties and will result in a pro rata distribution amongst the remaining BMG Joint Venture parties. Subject to regulatory approval, ROC will hold 37.5% interest in the BMG Joint Venture.

(2) ROC withdrew effective 18 May 2012.

(3) ROC sold its interests in Offshore Mauritania effective 26 July 2012 except for Area C Block 6 which was effective 30 December 2012.

(4) Interest in producing Chinguetti Oil and Gas Field post-government back-in.

(5) Sale to South Atlantic Petroleum JDN SAS has occurred with the signed sale and purchase agreement subject to final government approval.

(6) Interest in field development post-government back-in.

(7) Unitised interest in the C4 Field.

(8) Interest in development/production following government back-in.

(9) Unitised interest in producing Blane and Enoch Fields.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 29. Joint Ventures (continued)

The Group's share of net working interest production from the above joint ventures during the financial year was 2.4 MMBOE (2011: 2.7 MMBOE).

The following amounts represent the Group's interest in assets and liabilities in the above joint venture operations. The amounts are included in the financial statements as follows:

	2012 US$'000	2011 US$'000
Current assets	10,014	9,497
Non-current assets	238,386	219,512
Total assets	**248,400**	**229,009**
Current liabilities	10,116	20,512
Non-current liabilities	65,641	62,882
Total liabilities	**75,757**	**83,394**

Exploration expenditure commitments and contingent liabilities in respect of joint venture operations are detailed in Note 28 and Note 33 respectively.

Note 30. Associate Companies

Details of investments in associate companies are as follows:

				Beneficial Interest in Ordinary Shares at 31 December		Book Value of Ordinary Shares at 31 December		Contribution to Consolidated Profit/(Loss)	
Name of Associate Company	Country of Incorporation	Principal Activity	Balance Date	2012 %	2011 %	2012 US$'000	2011 US$'000	2012 US$'000	2011 US$'000
Croft Exploration Limited	UK	Dormant	31 December	50	50	–	–	–	–
BC Petroleum Sdn Bhd	Malaysia	Development/ Appraisal	31 December	48	48	32,833	159	–	–

The Group has a 48% interest in BC Petroleum Sdn Bhd ('BCP'), which is involved in the oil and gas appraisal in Malaysia.

BCP is a private entity that is not listed on any public exchange.

The following table illustrates summarised financial information of the Group's investment in BCP:

	2012 US$'000	2011 US$'000
Assets and liabilities		
Current assets	115,438	12,513
Non-current assets	–	8,929
Current liabilities	(28,156)	(21,283)
Non-current liabilities	(54,449)	–
Equity	**32,833**	**159**
Share of the associate's revenue and profit:		
Revenue	–	–
Profit	**–**	**–**
Carrying amount of the investment:		
Equity	32,833	159
Loan to associate	589	15,840
	33,422	**15,999**

Cash contributions to BCP are initially made as a loan and subsequently converted to equity following shareholder approval. Cash contributions during the period were $17.4 million.

Note 31. Remuneration of Auditors

	2012 US$	2011 US$
Amounts due to and recoverable by the auditor of the parent entity for:		
Audit and review of the financial report	322,529	221,557
Tax compliance and accounting advice	290,518	267,134
	613,047	**488,691**
Amounts due to related practices of Ernst & Young, Australia for:		
Audit and review of the financial report	43,009	74,033
Tax compliance and accounting advice	46,080	79,355
	89,089	**153,388**
	702,136	**642,079**

Ernst & Young, Australia was the auditor for the Company in 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Continued

Note 32. Key Management Personnel ('KMP') Disclosures

(a) Details of KMP

Mr A J Love	Chairman (Non-Executive)
Mr W G Jephcott	Deputy Chairman (Non-Executive) (resigned 12 December 2012)
Mr S J Jansma, Jr	Director (Non-Executive) (resigned 17 May 2012)
Mr R C A Leon	Director (Non-Executive)
Mr G D Mulligan	Director (Non-Executive)
Mr C C Hodge	Director (Non-Executive)
Mr A S Linn	Chief Executive Officer and Executive Director (appointed 27 February 2012)
Mr R M Harding	Director (Non-Executive) (appointed 1 June 2012)
Mr N D R Hartley	Director (Non-Executive) (appointed 1 June 2012)
Mr R Morris	President, Roc Oil (China) Company
Mr R B Stork	Chief Operating Officer
Mr A Neilson	Chief Financial Officer
Ms L Nolan	General Counsel and Company Secretary
Dr P Eliet	General Manager – Exploration, Geoscience & Business Development (appointed 13 September 2012).

(b) Remuneration

(i) Remuneration policy

The Remuneration and Nomination Committee is responsible for determining and reviewing the appropriate level and structure of remuneration of KMP. Executive remuneration is set at levels and structured to attract, motivate, reward and retain good performers to drive the business effectively. Further details of the Company's remuneration policy are set out in the Remuneration Report section of the Directors' Report.

The Company has an "at risk" Long Term Incentive ('LTI') plan and an "at risk" Short Term Incentive ('STI') plan. Under the LTI, executives are issued performance rights to subscribe for ordinary shares in the Company at the discretion of the Directors and can be awarded cash bonuses under the STI. These plans provide an incentive to KMP to achieve significant long term growth in the Company's share price. Previously, options were issued under the Employee and Executive Share Option Plans, which have now been discontinued. For details, refer to Note 24 and to the Remuneration Report section of the Directors' Report.

(ii) Remuneration of KMP

The aggregate of compensation of the KMP of the Group is set out below:

	2012 US$	2011 US$
Short term employee benefits	5,737,638	4,660,679
Post-employment benefits	135,298	139,188
Share-based payments	610,830	569,790
	6,483,766	**5,369,657**

Remuneration disclosures required by AASB 124 *Related Party Disclosures* paragraphs Aus 5.4 to Aus 25.7.2 are disclosed in the Remuneration Report section of the Directors' Report. These transferred disclosures have been audited.

(c) Right/Option holdings

	Year	1 January Balance at Beginning of Financial Year	Rights Granted as Remuneration	Rights/ Options Exercised	Rights/ Options Lapsed	31 December Balance at End of Financial Year	Vested at 31 Dec	Exercisable at 31 Dec
Mr A S Linn	**2012**	**3,920,000**	**–**	**(48,000)**	**(72,000)**	**3,800,000**	**550,000**	**275,000**
	2011	2,170,000	2,000,000	(100,000)	(150,000)	3,920,000	330,000	165,000
Mr R Morris	**2012**	**1,240,000**	**–**	**(56,000)**	**(84,000)**	**1,100,000**	**200,000**	**200,000**
	2011	840,000	400,000	–	–	1,240,000	200,000	200,000
Mr R B Stork	**2012**	**600,000**	**–**	**–**	**–**	**600,000**	**–**	**–**
	2011	–	600,000	–	–	600,000	–	–
Mr A Neilson	**2012**	**1,540,000**	**–**	**(48,000)**	**(72,000)**	**1,420,000**	**370,000**	**185,000**
	2011	890,000	650,000	–	–	1,540,000	302,000	151,000
Ms L Nolan	**2012**	**1,300,000**	**–**	**(28,000)**	**(142,000)**	**1,130,000**	**80,000**	**80,000**
	2011	650,000	650,000	–	–	1,300,000	172,000	116,000
Dr P Eliet	**2012**	**–**	**500,000**	**–**	**–**	**500,000**	**–**	**–**
	2011	–	–	–	–	–	–	–
Total	**2012**	**8,600,000**	**500,000**	**(180,000)**	**(370,000)**	**8,550,000**	**1,200,000**	**740,000**
Total	2011	4,550,000	4,300,000	(100,000)	(150,000)	8,600,000	1,004,000	632,000

Note 32. Key Management Personnel ('KMP') Disclosures (continued)

(d) Shareholdings

	Year	1 January Balance at Beginning of Financial Year	Change on Exercise of Rights/Options	Net Change from On-Market Transactions	31 December Balance at End of Financial Year
Mr A J Love	**2012**	**629,521**	–	**60,000**	**689,521**
	2011	589,521	–	40,000	629,521
Mr W G Jephcott	**2012**	**1,117,300**	–	–	**1,117,300**(1)
	2011	1,117,300	–	–	1,117,300
Mr S J Jansma, Jr	**2012**	**3,000,000**	–	**3,000,000**	**6,000,000**(1)
	2011	2,000,000	–	1,000,000	3,000,000
Mr R C A Leon	**2012**	**1,510,000**	–	–	**1,510,000**
	2011	1,510,000	–	–	1,510,000
Mr G D Mulligan	**2012**	**25,000**	–	–	**25,000**
	2011	25,000	–	–	25,000
Mr C C Hodge	**2012**	**50,000**	–	**50,000**	**100,000**
	2011	50,000	–	–	50,000
Mr R M Harding	**2012**	–	–	–	–
	2011	–	–	–	–
Mr N D R Hartley	**2012**	**12,500**(2)	–	–	**12,500**
	2011	–	–	–	–
Mr A S Linn	**2012**	**100,000**	**48,000**	–	**148,000**
	2011	–	100,000	–	100,000
Mr R Morris	**2012**	**600,000**	**56,000**	–	**656,000**
	2011	300,000	–	300,000	600,000
Mr R B Stork	**2012**	–	–	–	–
	2011	–	–	–	–
Mr A Neilson	**2012**	**11,500**	**48,000**	–	**59,500**
	2011	11,500	–	–	11,500
Ms L Nolan	**2012**	–	**28,000**	–	**28,000**
	2011	–	–	–	–
Dr P Eliet	**2012**	–	–	–	–
	2011	–	–	–	–
Total	**2012**	**7,055,821**	**180,000**	**3,110,000**	**10,345,821**
Total	2011	5,603,321	100,000	1,340,000	7,043,321

Note:

(1) As per the Director's Final Interest Notice.

(2) As per the Director's Initial Interest Notice.

All equity transactions with KMP other than those arising from the exercise of remuneration rights/options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

(e) Loans and other transactions

No loans have been made to the KMP other than advances made for the purpose of meeting business expenses incurred in performing their duties. No interest is being charged on these amounts.

Note 33. Contingent Liabilities

In accordance with normal oil and gas industry practice, the Group has entered into joint venture operations and farm-in agreements with other parties for the purpose of exploring and developing its licence interests. If a party to a joint venture operation defaults and does not contribute its share of joint venture operation obligations, then the other joint venturers are liable to meet those obligations. In this event, the interest in the licence held by the defaulting party may be redistributed to the remaining joint venturers.

Note 34. Subsequent Events

No events have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

Note 35. Additional Company Information

The Company is a public company listed in Australia on the ASX and incorporated in Australia and operates in Australia and overseas.

The registered office and principal place of business are:

Level 18, 321 Kent Street
Sydney NSW 2000
Australia.

Telephone number: +61 2 8023 2000

ABN: 32 075 965 856

ASX code: ROC

DIRECTORS' DECLARATION

The Directors declare that:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b);

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2012.

On behalf of the Directors:

Mr A J Love
Chairman

Mr A S Linn
Director and Chief Executive Officer

Sydney, 27 February 2013

DEPENDENT AUDITOR'S REPORT

he Members of Roc Oil Company Limited

ERNST & YOUNG

Ernst & Young Centre
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Sydney NSW 2000 Australia
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Report on the Financial Report

We have audited the accompanying financial report of Roc Oil Company Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

INDEPENDENT AUDITOR'S REPORT

Continued

ERNST & YOUNG

Opinion

In our opinion:

(a) the financial report of Roc Oil Company Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Roc Oil Company Limited for the year ended 31 December 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Trent van Veen
Partner

Sydney, 27 February 2013

ADDITIONAL INFORMATION

ROC RESERVES AND RESOURCES ANALYSIS (UNAUDITED) AS AT 31 DECEMBER 2012

Summary Proved and Probable Working Interest Reserves	2P MMBOE(1)
Opening balance	15.1
Reserve disposed	(0.1)
Reserve revisions	2.4
Production	(2.4)
Closing balance	**15.0**

Analysis of Proved and Probable Working Interest Reserves	2P BCF	2P MMBBL	2P Total MMBOE(1)
Zhao Dong	1.5	5.3	5.6
Beibu	–	5.4	5.4
Cliff Head	–	2.5	2.5
Blane	0.1	1.2	1.2
Enoch	–	0.3	0.3
Closing balance	**1.6**	**14.7**	**15.0**

Analysis of Working Interest Reserves and Resources by Region	2P MMBOE(1)	2C MMBOE	Best Estimate of Risked Prospective Resources(2) BOE
China	11.1	5.9	35.3
Australia	2.5	13.2	5.2
UK	1.4	3.8	–
Africa	–	–	3.1
Closing balance	**15.0**	**22.9**	**43.6**

(1) 2P Reserves contain approximately 9% which is given to host governments. This is subject to oil price and costs.

(2) The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The Reserve's Statement has been compiled by Mr Bill Billingsley, ROC's Chief Reservoir Engineer, who is a full-time employee of the Company. Mr Billingsley's qualifications include a Master of Science (Petroleum Engineering) from Imperial College, London, England and more than 17 years of relevant experience. Mr Billingsley has consented to the inclusion of this information in this report.

ADDITIONAL INFORMATION

Continued

ROC LICENCES AT 31 DECEMBER 2012 (UNAUDITED)

Country	Block	Field/Discovery	ROC Interest %	Operator
Australia	WA-31-L	Cliff Head	42.50	Roc Oil (WA) Pty Limited
	L14	Jingemia	0.25	Origin Energy Developments Pty Ltd
	VIC/L26, VIC/L27, VIC/L28	BMG	37.50[1]	Roc Oil (VIC) Pty Limited
Equatorial Guinea	Block H		20.00	Roc Oil (Equatorial Guinea) Company (Admin Manager)/ White Rose Energy Ventures (EG) Limited (Technical Manager)
Mozambique Channel	Juan de Nova Maritime Profond (France)		75.00[2]	South Atlantic Petroleum JDN SAS[5]
China	Beibu Gulf Development Areas	WZ 6-12, WZ 12-8	40.00/19.60[3]	Roc Oil (China) Company/ CNOOC Limited
	Zhao Dong Block	C and D Fields, C4 Field	24.50/11.58[4]	Roc Oil (Bohai) Company
	Chenghai and Zhanghai Blocks	H1	80.00/39.20[3]	Roc Oil (Bohai) Company
	Block 09/05		100.00	Roc Oil (Bohai) Company
UK North Sea	P111 (Block 30/3a Upper)	Blane	15.24/12.50[4]	Talisman Energy (UK) Limited
	P219 (Block 16/13a and 16/13e)	Enoch, J1	15.00/12.00[4]	Talisman North Sea Limited

Note:

(1) The withdrawal of CIECO Exploration and Production (Australia) Pty Ltd from the BMG Joint Venture, effective 31 December 2012, is being finalised amongst the joint venture parties and will result in a pro rata distribution amongst the remaining BMG Joint Venture parties. Subject to regulatory approval, ROC will hold 37.5% interest in the BMG Joint Venture.

(2) Sale to South Atlantic Petroleum JDN SAS effective 1 July 2011 subject to final government authorisation.

(3) Interest in field development post-government back-in.

(4) Unitised interest in producing fields.

(5) ROC is operator and South Atlantic Petroleum JDN SAS is Technical Manager.

HAREHOLDER INFORMATION

1. Ordinary Share Capital

As at 4 March 2013, the Company had on issue 683,235,552 fully paid ordinary shares held by 17,784 shareholders.

All issued fully paid ordinary shares carry one vote per share.

2. Options

As at 4 March 2013, the Company had the following unquoted options: 1,878,000 options under the Employee Share Option Plan held by 55 optionholders and 1,500,000 options under the Executive Share Option Plan held by 17 optionholders.

During the year ended 31 December 2012:

- 792,000 employee share options and 2,626,000 executive share options were forfeited or lapsed; and
- nil options issued under the Employee Share Option Plan and nil options issued under the Executive Option Scheme were exercised.

Options do not carry any voting rights or rights to dividends.

3. Performance Rights

As at 4 March 2013, the Company had granted 11,219,000 performance rights under the Long Term Incentive Plan to 46 employees. Performance Rights do not carry any voting rights or rights to dividends.

4. Distribution of Share and Option Holders

Holding of Shares or Options as at 4 March 2013	Shareholders	Employee Optionholders	Executive Optionholders
1–1,000	5,410	–	–
1,001–5,000	5,796	23	–
5,001–10,000	2,656	1	–
10,001–100,000	3,659	26	14
Over 100,000	263	5	3
Total	**17,784**	**55**	**17**
Shareholders holding less than a marketable parcel	968		

5. Substantial Shareholders

Substantial shareholders as disclosed in substantial shareholder notices given to the Company are as follows:

Shareholder	Number Held (Fully Paid Ordinary Shares)	% of Class Held
N/A	N/A	N/A

SHAREHOLDER INFORMATION

Continued

6. Twenty Largest Shareholders as at 4 March 2013

Shareholder	Number Held	%	Rank
JP Morgan Nominees Australia Limited	141,573,233	20.72	1
HSBC Custody Nominees (Australia) Limited	102,665,140	15.03	2
National Nominees Limited	101,064,448	14.79	3
Citicorp Nominees Pty Limited	64,640,277	9.46	4
JP Morgan Nominees Australia Limited	26,643,944	3.90	5
ANZ Underwriting Limited	24,830,763	3.63	6
HSBC Custody Nominees (Australia) Limited	4,620,211	0.68	7
Mr Timothy Bryce Kleemann	2,583,000	0.38	8
Citicorp Nominees Pty Limited	1,624,438	0.24	9
UOB Kay Hian Private Limited	1,606,371	0.24	10
Mr Barnaby Colman Caddick	1,600,000	0.23	11
Investsoft SA	1,600,000	0.23	12
Mr Jose Manuel Do Rego Medeiros	1,500,000	0.22	13
Forty Traders Limited	1,187,126	0.17	14
Berne No 132 Nominees Pty Ltd	1,000,000	0.15	15
Kavel Pty Ltd	952,000	0.14	16
R & F Tassone Pty Ltd	922,008	0.13	17
Mr Steven Joseph Koroknay	900,000	0.13	18
HSBC Custody Nominees (Australia) Limited – A/C 2	893,684	0.13	19
Merrill Lynch (Australia) Nominees Pty Limited	893,317	0.13	20
	483,299,960	**70.74**	

GLOSSARY AND DEFINITIONS

API	The American Petroleum Institute unit of measurement that denotes how heavy or light (the gravity) a petroleum liquid is compared to water - the lower the API number the heavier the oil.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
AUD/A$ or cents	Australian currency.
BBL(s)	Barrel(s), an oil barrel is equivalent to 0.159 cubic metres.
BCF	One billion cubic feet of natural gas.
BCP	BC Petroleum Sdn Bhd.
BMG	Basker-Manta-Gummy.
BOE	Barrel of oil equivalent. The factor used to convert gas to oil equivalent is based upon an approximate energy value of 6,000 cubic feet per barrel and not price equivalence at the time.
BOEPD	Barrel of oil equivalent per day.
BOPD	Barrel of oil per day inclusive of NGLs.
E & D	Exploration and Development.
FPSO	Floating production storage offtake (vessel).
Group	Parent entity and its subsidiaries.
GST	Goods and services tax.
IFRS	International Financial Reporting Standards.
KMP	Key Management Personnel.
LTI	Long Term Incentive.
MMBBL	One million barrels of oil.
MMBOE	One million barrels of oil equivalent.
MMSCFD	One million standard cubic feet of natural gas per day.
NGL	Natural gas liquid.
NPP	Non-Production Phase.
probable reserves	Probable reserves are less certain than proved reserves and can be estimated with a degree of certainty sufficient to indicate they are more likely to be recovered than not. Note that probable reserves have not been risked.
proved reserves	Proved reserves can be estimated with reasonable certainty to be recoverable under current economic conditions. Current economic conditions include prices and costs prevailing at the time of the estimate. Proved reserves may be developed or undeveloped.
PRRT	Petroleum Resource Rent Tax.
PSC	Production Sharing Contract.
ROC	Roc Oil Company Limited.
STI	Short Term Incentive.
SPE	Society of Petroleum Engineers.
UK	United Kingdom.
USD/US$ or cents	United States currency.
2C	Proved and probable contingent resources.
2P	Proved and probable reserves.
3D	Three dimensional.
3P	Proved plus probable plus possible reserves.

DIRECTORS' REPORT AND THE ANNUAL FINANCIAL REPORT

DIRECTORS' REPORT

The Directors of Roc Oil Company Limited ('Company' or 'ROC') have pleasure in submitting the Directors' Report for the financial year ended 31 December 2012.

Directors

The names and particulars of the Directors of the Company at any time during or since the end of the financial year are:

Mr Andrew J Love BCom, FCA, MAICD

Independent Non-Executive Director, Chairman – Appointed 5 February 1997

Mr Love is Chairman of the Board of Directors of ROC and a Fellow of The Institute of Chartered Accountants in Australia. Mr Love is Chairman of Lemur Resources Limited. In the last three years, Mr Love has been Deputy Chairman of Riversdale Mining Ltd and a Non-Executive Director of Charter Hall Office Management Ltd. Mr Love is a member of the Remuneration Committee and the Audit and Risk Committee and is Chair of the Nomination Committee.

Mr Alan S Linn CEng, MIChemE

Chief Executive Officer and Executive Director – Appointed 27 February 2012

Mr Linn joined ROC in January 2008 as Asset Manager - Africa and in October 2008 was appointed Chief Operating Officer. Mr Linn was appointed as Acting Chief Executive Officer on 29 October 2010 and was appointed as Chief Executive Officer on 23 February 2011. Mr Linn is a chartered chemical engineer with 30 years of international operational and joint venture management experience in both the upstream and downstream oil sectors.

Mr Linn spent 15 years working with EXXON/Mobil in both downstream and upstream assignments in the UK and USA before moving into the independent E & P oil sector working internationally for LASMO, Cairn Energy and Tullow in senior operational and business management roles. Before joining ROC, Mr Linn was Operations Director for African Arabian Petroleum, a privately-owned E & P company headquartered in Dubai. Based in Tunisia, Mr Linn was responsible for all operational and engineering activities within the business' African focused portfolio.

Mr Robert C A Leon MPS, MEcon, ENA

Independent Non-Executive Director – Appointed 3 December 2008

Mr Leon is a French national with over 30 years of experience in business and government administration. From 2002 until the merger with ROC in 2008, Mr Leon was a Non-Executive Director of Anzon Energy Pty Limited (formally Anzon Energy Limited) and from 2006 until the takeover by ROC, he was a Non-Executive Director of Roc Oil (VIC) Pty Limited (formerly Anzon Australia Pty Limited). In 1996, Mr Leon co-founded Qualis, a diversified industrial group based in France, of which he is a co-manager. He was Chief Executive Officer of Arnault Group between 1986 and 1997, during which time he managed numerous strategic acquisitions, disposals and financial transactions. Prior to a career in business, Mr Leon held several positions in the French Government administration. He holds degrees in political science and economics, and is a graduate of École Nationale d'Administration in France. Mr Leon is a member of the Audit and Risk Committee.

Mr Graham D Mulligan BSc, Dip Acc, FAIM, MAICD

Independent Non-Executive Director – Appointed 7 September 2010

Mr Mulligan is the principal of International Infrastructure Ventures Pty Ltd, an independent consulting company which specialises in providing advisory services to major projects in infrastructure, transport and petroleum. He holds both science and accountancy qualifications and has considerable experience as a senior executive in the international petroleum, infrastructure, transport and resources industries. This included over 16 years with the listed New Zealand Oil & Gas Limited Group as both a Director and senior executive. Mr Mulligan has held a number of other senior executive roles, including Chief Executive Officer of Port of Brisbane Corporation and Managing Director of Port Wellington Limited. He is a former Chairman of the Petroleum Exploration Association of New Zealand, is currently a Director of Chalmers Limited and has held director roles with other listed companies. Mr Mulligan is a member of the Remuneration Committee, the Nomination Committee and the Audit and Risk Committee.

Mr Christopher C Hodge MSc, DIC, FFin, MAICD

Independent Non-Executive Director – Appointed 7 September 2010

Mr Hodge is a qualified geologist and petroleum geophysicist with extensive experience both in Australia and overseas. In addition to a variety of senior technical roles, he has held managerial positions in major petroleum exploration and production companies and played significant roles in substantially growing their asset bases through a mix of exploration and acquisition. Most recently, Mr Hodge was Managing Director of ASX-listed Adelphi Energy Limited and is currently the Exploration & Production ('E & P') Advisor to Mitsubishi in Australia. He is a member of the Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists. Mr Hodge is Chair of the Health, Safety and Environment Committee.

Mr R Michael Harding MSc (Mech Eng)

Independent Non-Executive Director – Appointed 1 June 2012

Mr Harding is the Chairman of Downer EDI Limited and a Non-Executive Director of Santos Limited and Transpacific Industries Group Ltd (with effect from 1 March 2013) as well as being the former Chairman of Clough Limited (2006 - 2010) and a former Non-Executive Director of Arc Energy Limited (2003 - 2007). Mr Harding holds a Master of Science degree and had a 25 year career at BP plc between 1978 and 2003. He held various project and business management positions at BP plc, which provided upstream sector experience in the United Kingdom, South Korea, Western Australia, former USSR, PNG, Malaysia and Thailand. His final position at BP plc was as President and General Manager of BP Exploration Australia. Mr Harding is a former Vice-Chairman and council member of the Australian Petroleum Production and Exploration Association ('APPEA'). Mr Harding is Chair of the Remuneration Committee and is a member of the Nomination Committee and the Audit and Risk Committee.

Mr Nigel D R Hartley BSc, FCA

Independent Non-Executive Director – Appointed 1 June 2012

Mr Hartley is a Non-Executive Director of Austin Exploration Limited and Phoenix Oil & Gas Limited. Mr Hartley holds a degree in economics, is a Fellow of the Institute of Chartered Accountants in England and Wales, and had a 20 year career at Oil Search Limited between 1991 and 2011, during which time he held various senior financial and executive general manager positions (including 12 years as Chief Financial Officer). His final position at Oil Search was as Executive General Manager Sustainability. Prior to his career at Oil Search Limited, Mr Hartley held financial positions at Rio Tinto and Niugini Mining and was a manager with the accounting and audit firm Peat Marwick Mitchell & Co. Mr Hartley is Chair of the Audit and Risk Committee.

Directors of the Company who resigned during the financial year are listed below:

Mr William G Jephcott BCom, FCPA, FAICD

Independent Non-Executive Director, Deputy Chairman – Appointed 5 February 1997 – Resigned 12 December 2012

Mr Jephcott is an investment banker who specialises in merger and acquisition advice. He also has experience in financing and structuring of major resource projects, including those in the oil and gas industry. Since July 2006, Mr Jephcott has been Special Advisor to Gresham Partners Limited. Previously, Mr Jephcott was Vice-Chairman, Investment Banking Group for Merrill Lynch International (Australia) Limited, Chairman of New South Wales Rugby Union Limited, Non-Executive Chairman of Engin Limited and a Director of Parbury Limited and Ignite Energy Resources Limited. Mr Jephcott was Chair of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee prior to his resignation on 12 December 2012.

Mr Sidney J Jansma, Jr MBA

Independent Non-Executive Director – Appointed 17 March 1998 – Resigned 17 May 2012

Mr Jansma is President and Chief Executive Officer of Dominion Midwest Energy, Inc, a wholly-owned subsidiary of Dominion Resources, Inc and was the founder of Wolverine Gas and Oil Corporation. Mr Jansma has served as a member of the Board of Governors of the Independent Petroleum Association of America and Chairman of both its Tax and Environmental Committees. He has also served on the Board of the American Petroleum Institute. He currently serves on the Board and Executive Committee of Calvin Theological Seminary in Grand Rapids, Michigan. Mr Jansma was Chair of the Health, Safety and Environment Committee prior to his resignation on 17 May 2012.

DIRECTORS' REPORT

Continued

Company Secretary

Ms Leanne Nolan BEc, LLB (Hons), LLM

Company Secretary – Appointed 29 August 2008

Ms Nolan is General Counsel and Company Secretary of ROC. Ms Nolan joined the Company in March 1998 and holds Bachelors of Economics and Laws (Hons) and Masters of Law from The University of Sydney. Prior to joining ROC, Ms Nolan held the position of Corporate Counsel with Ampolex Limited and prior to that was employed as a solicitor with Freehills.

Ms Jacquie Shanahan BA, LLB

Assistant Company Secretary – Appointed 30 January 2012

Ms Shanahan is Legal Counsel and Assistant Company Secretary. Ms Shanahan joined the Company in October 2011 and holds Bachelors of Arts and Laws from The University of Queensland. Prior to joining ROC, Ms Shanahan was involved in the review and monitoring of corporate governance reporting for the ASX, was a senior associate in the corporate commercial practice area at Corrs Chambers Westgarth and was employed as in-house legal counsel for a private company involved in developing sustainable energy projects.

Directors' Interests

As at the date of this Directors' Report, the relevant interests of the Directors in the fully paid shares and share options of the Company were:

	Ordinary Shares Fully Paid
Non-Executive Directors	
Mr A J Love	689,521
Mr W G Jephcott	1,117,300(1)
Mr S J Jansma, Jr	6,000,000(2)
Mr R C A Leon	1,510,000
Mr G D Mulligan	25,000
Mr C C Hodge	100,000
Mr R M Harding	–
Mr N D R Hartley	12,500
Executive Director	
Mr A S Linn	148,000

(1) As at date of resignation – 12 December 2012.

(2) As at date of resignation – 17 May 2012.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) and attendance during the financial year:

	Directors		Remuneration Committee		Nomination Committee		Audit and Risk Committee		Health, Safety and Environment Committee	
	A	B	A	B	A	B	A	B	A	B
Mr A J Love	10	9	4	4	1	1	3	2	-	-
Mr W G Jephcott[1]	10	9	4	4	1	1	2	2	-	-
Mr S J Jansma, Jr[2]	5	3	–	–	–	–	–	–	2	2
Mr R C A Leon	10	9	–	–	–	–	3	2	–	–
Mr G D Mulligan	10	10	4	4	1	1	3	3	–	–
Mr C C Hodge	10	10	–	1[5]	–	–	–	–	3	3
Mr A S Linn[3]	9	9	–	1[5]	–	–	–	2[5]	–	2[5]
Mr R M Harding[4]	5	4	–	1[5]	–	–	2	1	–	–
Mr N D R Hartley[4]	5	5	–	–	–	–	2	2	–	–

A Number of meetings held during the time that the Director held office during the financial year.

B Number of meetings attended.

(1) Resigned 12 December 2012.

(2) Resigned 17 May 2012.

(3) Appointed 27 February 2012.

(4) Appointed 1 June 2012.

(5) Number of meetings attended as observer.

Principal Activities

The consolidated entity's principal activities during the course of the financial year were oil and gas exploration, development and production. There were no significant changes in the nature of those activities during the financial year.

Results

The net profit of the consolidated entity for the financial year after income tax was US$61.0 million (2011: US$27.7 million).

Dividends

No dividends have been paid or declared since the end of the prior financial year and no dividends have been recommended by the Directors in respect of the financial year ended 31 December 2012.

Review of Operations

A review of the consolidated entity's operations during the financial year and the results of those operations are included in the Discussion and Analysis of Financial Statements on pages 63 to 66.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the nature of the activities or state of affairs of the consolidated entity during the financial year.

DIRECTORS' REPORT

Continued

Subsequent Events

No events have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

Future Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has been omitted from this Directors' Report.

Share Rights and Options

During the financial year, the Company granted 1,000,000 performance rights over unissued ordinary shares of ROC.

As at the date of this Directors' Report, there were 11,219,000 performance rights and 3,378,000 options (comprising 1,878,000 employee share options and 1,500,000 executive share options) granted over unissued ordinary shares of ROC under ROC's Long Term Incentive Plan, Employee Share Option Plan and Executive Share Option Plan. Refer to Note 24 to the financial statements for further details of the rights and options outstanding. During the financial year, 729,200 ordinary shares were issued as a result of vesting of performance rights. Since the end of the financial year, no ordinary shares were issued as a result of vesting of performance rights or options and no performance rights or options have been granted.

Right and option holders do not have any right, by virtue of the rights or options, to participate in any share issues of the Company or any related body corporate or in the interest issue of any other registered scheme.

Indemnification of Directors and Officers

An insurance policy has been put in place by the Company for the benefit of past and present Directors of the Company and the executive officers, Directors and secretaries of all Australian group companies. Under this policy, the insurance company has agreed to indemnify these Directors and officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities. The terms of the insurance prohibit disclosure of the nature of the liability and the amount of the premium.

The Company has entered into deeds of indemnity to indemnify directors, secretaries and certain executives of the Company against all liabilities incurred in the course of or arising out of their employment with the Company and its related companies except where the liability results wholly or in part from serious wilful misconduct by the Director, secretary or executive.

Rounding

The Company is a company of the kind referred to in Australian Securities and Investments Commission Class Order 98/0100, dated 10 July 1998 and, in accordance with that Class Order, amounts in the annual financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Remuneration Report

The Remuneration Report is set out on pages 43 to 61 and forms part of the Directors' Report for the financial year ended 31 December 2012.

Corporate Governance

The Board is responsible for the strategic direction of the Company, the identification and implementation of corporate policies and goals, and the monitoring of the business and affairs of the Company on behalf of its shareholders. The Board delegates responsibility for the day-to-day management of ROC to the Chief Executive Officer. In addition, the Board has established a number of committees to support it in matters which require more detailed consideration. All Directors have unrestricted access to Company records and information and receive detailed financial and operational reports from senior management during the financial year on a monthly basis.

The Board is currently comprised of six Non-Executive Directors, including the Chairman, and one Executive Director. In accordance with the Company's Constitution and the ASX Listing Rules, the Directors (other than the Chief Executive Officer) are subject to re-election by shareholders every three years.

The Board usually meets on a monthly basis, and where appropriate, hears presentations from senior management who may be questioned directly by Board members on operational and commercial issues.

Details of the Company's corporate governance practices will be included in the Corporate Governance statement in the Annual Report.

Audit and Risk Management

During the financial year, Mr W G Jephcott (Chair up to 12 December 2012), Mr A J Love, Mr R C A Leon, Mr G D Mulligan, Mr R M Harding (from 1 June 2012) and Mr N D R Hartley (from 1 June 2012 and Chair from 12 December 2012) were members of the Company's Audit and Risk Committee. The Audit and Risk Committee is responsible for monitoring the operational and financial aspects of the Company's activities and considers recommendations and advice of internal and external advisors on the operational and financial risks of the Company. The Committee evaluates senior management's assessment of risk and its recommendations in relation to the management of that risk, including hedging policies.

Environmental Performance

The consolidated entity is subject to Commonwealth and State regulations and legislation in Australia. There is similar legislation that governs international operations. The consolidated entity is also a party to various Production Sharing Contracts and exploration and development licences in the countries in which it operates. In most cases, these contracts and licences specify the environmental regulations applicable to oil and gas operations in the respective jurisdictions. Based upon an environmental monitoring system, the consolidated entity aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. The Directors are not aware of any material breaches of the environmental obligations of the consolidated entity's contracts or licences. In addition, the Board has established a Health, Safety and Environment Committee. The Committee's responsibility is to ensure that occupational health, safety and environmental standards of the Company's operations are maintained at a level equal to, or above, accepted industry standards and that the Company complies with applicable legislation in the jurisdictions in which it operates.

Auditor and Non-Audit Services

No officer of the Company has previously belonged to an audit practice auditing the Company during the financial year. During the financial year, ROC paid its auditor, Ernst & Young, Australia, the following amount for material non-audit services:

- tax compliance and accounting advice US$336,598.

The Directors have considered the position and, in accordance with advice received from the Audit and Risk Committee, are satisfied that the provision of these services is compatible with the standards of auditor independence imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor;
- none of the services undermines the general principles relating to auditor independence as set out in the relevant professional statement, including reviewing and auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards; and
- the non-audit services provided, particularly in relation to tax compliance advice to the internal tax accounting team, are seen as a cost effective and valuable resource to the Company. Expenditure levels vary from year to year depending upon activity levels and regulatory reviews. In addition, with the Company's extensive global operations, comprehensive tax advice across all jurisdictions is regarded as essential. In the circumstances, the Company's auditors are regarded as the most appropriate to provide this advice.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 62.

DIRECTORS' REPORT

Continued

This Directors' Report is made in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors:

Mr A J Love
Chairman

Mr A S Linn
Director and Chief Executive Officer

Sydney, 27 February 2013

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA) bizFILE

Company No: 201428617C

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY

This is to confirm that TAP ENERGY (M-7) PTE. LTD. is incorporated under the Companies Act (Cap 50), on and from 26/09/2014 and that the company is a PRIVATE COMPANY LIMITED BY SHARES.

GIVEN UNDER MY HAND AND SEAL ON 29/09/2014.

ER SIEW LENG
ASST REGISTRAR
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE

REGISTRAR OF COMPANIES & BUSINESSES ACRA ACCOUNTING AND CORPORATE REGULATORY AUTHORITY SINGAPORE

TAP ENERGY (M-7) PTE LTD

Company Registration No 201428617C
(Incorporated in the Republic of Singapore)

Board of Directors

As at 9 October 2014 the Board of Directors of this company comprised:

- Troy John Hayden
- Anna Catherine Sudlow
- Tay Tuan Leng

Tap Oil Limited
ABN 89 068 572 341

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West Perth WA 6005
Australia

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F: +61 8 9485 1060
E: info@tapoil.com.au

www.tapoil.com.au

BY FACSIMILE: +95 67 411 113

26 September 2014

Mr. Pe Zin Tun
Director, Energy Planning Department
Ministry of Energy
The Government of the Republic of the Union of Myanmar
Building No. 6
Nay Pyi Taw City

Dear Mr. Pe Zin Tun

ASSIGNMENT OF SUBSIDIARY COMPANY FOR MYANMAR OPERATION – BLOCK M-7

We refer to the Production Sharing Contract for Block M-7, Moattama Offshore Area.

Tap Oil Limited advises that it wishes to execute this Production Sharing Contract in the name of its wholly owned subsidiary Tap Energy (M-7) Pte. Ltd.

We have enclosed with this letter the requested supporting documents evidencing the relationship between Tap Oil Limited and Tap Energy (M-7) Pte. Ltd.

We look forward to your kind consideration of our request

Yours sincerely

TROY HAYDEN
MANAGING DIRECTOR/CEO

TAP ENERGY (M-7) PTE. LTD.
(the "Company")
(Company Registration No.: 201428617C)
(Incorporated in the Republic of Singapore)

DIRECTORS' RESOLUTION IN WRITING PASSED PURSUANT TO ARTICLE 115 OF THE COMPANY'S ARTICLES OF ASSOCIATION

ACCEPTANCE OF THE TRANSFER OF TAP OIL LIMITED'S 35.625% PARTICIPATING INTEREST IN BLOCK M-07

NOTED

On 23 October 2013, Tap Oil Limited ("**Tap Oil**") resolved to bid on certain offshore Myanmar block, delineated as M-07, and to incorporate one or more subsidiaries for the purpose of holding the Company's interest in M-07 (***the "Tap Oil Resolution"***).

Further, on 13 November 2013, ROC Oil Company Limited ("**ROC**"), Smart E & P International Co. Ltd. ("**Local Partner**") and Tap Oil entered into a Memorandum of Understanding - Block M-07, Offshore Myanmar ("**MOU**") with the following Participating Interests: ROC 59.375%, Tap Oil 35.625% and Local Partner5% (5% to be carried on a pro rata basis by ROC and Tap Oil).

Tap Oil proposes to assign its 35.625% Participating Interest under the MOU to the Company in accordance with clause 2.4 of the MOU, and in accordance with the Tap Oil Resolution, and the Company proposes to accept that assignment.

Further, the Company proposes to form a committee consisting of the Managing Director or any person acting in this role from time to time ("**Executive Committee**") under Article 107 of the Articles of Association with power to negotiate, finalise and approve for and on behalf of the Company the Deed of Transfer and associated documents ("**Deed Poll**") with such alterations, amendments or additions as the Executive Committee considers necessary or desirable, and to approve various other matters referred to or contemplated by the minutes of this meeting and which arise out of or are connected with the Deed Poll.

RESOLVED that:

1. the finalization and execution of the Deed Poll relating to Block M-07 in Myanmar to record the assignment of Tap Oil's 35.625% Participating Interest under the MOU to the Company be and is hereby approved;

2. authority be conferred upon the Executive Committee as may be appropriate in the manner contemplated above to execute on behalf of the Company such documentation as may be necessary or desirable to implement such assignment; and

3. the common seal of the Company be affixed to the Deed Poll, when required, in accordance with the provision of the Company's Articles of Association.

ENTER INTO THE PRODUCTION SHARING CONTRACT

NOTED

On or around the 27 March 2014 Tap Oil Limited ("**Tap Oil**") was notified by the Myanmar Ministry of Energy ("**MOE**") of the successful award of a Production Sharing Contract Block M-07 in Myanmar. The Production Sharing Contract award is subject to the finalization of terms with the MOE.

The Company proposes to form a committee consisting of the Managing Director or any person acting in this role from time to time ("**Executive Committee**") under Article 107 of the Articles of Association with power to negotiate, finalise and approve for and on behalf of the Company the Production Sharing Contract and associated documents ("**PSC**") with such alterations, amendments or additions as the Executive Committee considers necessary or desirable, and to approve various other matters referred to or contemplated by the minutes of this meeting and which arise out of or are connected with the PSC.

RESOLVED that contingent upon the passing of the above transfer of Tap Oil's 35.625% Participating Interest in Block M-07 to the Company:

1. the finalisation and execution of the PSC for Offshore Petroleum Operations between the Company, a ROC Oil Company Limited Related entity and Smart E & P International Co. Ltd. be and is hereby approved ;
2. authority be conferred upon the Executive Committee as may be appropriate in the manner contemplated above to execute on behalf of the Company such documentation as may be necessary or desirable to implement such PSC; and
3. the common seal of the Company be affixed to the PSC, when required, in accordance with the provision of the Company's Articles of Association.

Dated: 2 October 2014

TROY JOHN HAYDEN

ANNA CATHERINE SUDLOW

TAY TUAN LENG

TAP OIL LIMITED
ACN 068 572 341
("Company")

CERTIFIED EXTRACT FROM BOARD MINUTES DATED 23 OCTOBER 2013

PURPOSE To approve Myanmar Offshore Bid – Block M-07

RESOLUTION The Board RESOLVED that:

(a) the Company be authorised to submit a bid on any or all of the blocks delineated as M-07 in the 2013 Myanmar Offshore Bid Round;

(b) the Company be authorised to incorporate one or more subsidiaries for the purpose of holding the Company's interest in M-07 and the Managing Director/CEO of Tap Oil Limited (or his delegate) be appointed as the Company's corporate representative to attend all meetings of shareholders of the new subsidiaries pursuant to section 250D(1) of the *Corporations Act 2001* (Cth), and to sign all resolutions of the subsidiary without meetings, with full powers to act on behalf of the Company; and

(c) authority be conferred upon the Managing Director/CEO (or his delegate) to agree the terms of the bids referred to in the above resolutions, and agree and execute on behalf of the Company such documentation as may be necessary or desirable to give effect to the above resolution.

Certified as a true copy of Board Resolution passed on 23 October 2013.

....
MELANIE WILLIAMS
COMPANY SECRETARY

2 October 2014

No.of Company

201428617C

The Companies Act, (Cap. 50)

PRIVATE COMPANY LIMITED BY SHARES

Memorandum

and

Articles of Association

of

TAP ENERGY (M-7) PTE. LTD.

Incorporated on the 26th day of September 2014

Lodged in the Office of the Registrar
of Companies, Singapore

Hui Yee Cheok (Tricor SG/CS)

From: ACRA Auto Mail <ACRA_BIZFILE@acra.gov.sg>
Sent: Friday, September 26, 2014 8:48 AM
To: Hui Yee Cheok (Tricor SG/CS)
Subject: Email Notification

This is a system-generated email. Please do not reply to this email.
If you have any enquiry, please visit our interactive web service at www.acra.gov.sg/askacra for more information.

Dear Sir/Madam,

Company No. :201428617C

NOTICE OF INCORPORATION

This is to confirm that TAP ENERGY (M-7) PTE. LTD. is incorporated under the Companies Act(Cap.50), on and from 26/09/2014 and that the Company is a PRIVATE COMPANY LIMITED BY SHARES.

Thank You

Accounting and Corporate Regulatory Authority (ACRA)
10 Anson Road
#05-01/15 International Plaza
Singapore 079903

****

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

TAP ENERGY (M-7) PTE. LTD.

1. The name of the Company is **TAP ENERGY (M-7) PTE. LTD.**

2. The Registered Office of the Company will be situated in the Republic of Singapore.

3. The liability of the members is limited.

4. Subject to the provisions of the Companies Act, Chapter 50 of Singapore, and any other written law and the Memorandum and Articles of Association, the Company has:

   (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

   (b) for the purposes of paragraph (a) above, full rights, powers and privileges.

5. The Company shall have power to consolidate or subdivide the shares and to issue any additional capital as fully paid or partly paid shares and with any special or preferential rights or privileges or subject to any special terms or conditions, and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company.

I, the person whose name, address and occupation are subscribed, am desirous of being formed into a Company in pursuance of this Memorandum of Association and agree to take the number of share in the capital of the Company set opposite my name:

NAME, ADDRESS AND OCCUPATION OF SUBSCRIBER	NUMBER OF SHARE TAKEN BY SUBSCRIBER
Tay Tuan Leng Blk 635 Pasir Ris Drive 1 #11-600 Singapore 510635 Senior Manager	**One (1)**
TOTAL NUMBER OF SHARE TAKEN:	**ONE (1)**

Dated this 26th of September 2014

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

TAP ENERGY (M-7) PTE. LTD.

PRELIMINARY

1. The regulations contained in Table "A" in the Fourth Schedule to the Companies Act, Chapter 50 of Singapore, shall not apply to the Company, but the following shall subject to repeal, addition and alteration as provided by the Act or these Articles be the regulations of the Company. Table "A" not to apply.

2. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof: Interpretation.

WORDS		MEANINGS
the "Act"	:	The Companies Act, Chapter 50 of Singapore, or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act.
these "Articles"	:	These Articles of Association or other regulations of the Company for the time being in force.
the "Company"	:	The abovenamed Company by whatever name from time to time called.
"Directors"	:	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
"Director"	:	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.

"Dividend"	:	Includes bonus.
"electronic communication"	:	Communication transmitted (whether from one (1) person to another, from one (1) device to another, from a person to a device or from a device to a person): (a) by means of a telecommunication system; or (b) by other means but while in an electronic form, such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.
"Member"	:	A member of the Company.
"Month"	:	Calendar month.
"Office"	:	The Registered Office of the Company for the time being.
"Ordinary Resolution"	:	A resolution not being a Special Resolution which is, or which is to be, passed by a majority of Members as, being entitled to do so, vote in person or by proxy at a General Meeting.
"paid up"	:	Includes credited as paid up.
"Register"	:	The Register of Members.
"Seal"	:	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
"Secretary"	:	The Secretary or Secretaries appointed under these Articles and shall include any person entitled to perform the duties of Secretary temporarily.
"Singapore"	:	The Republic of Singapore.
"Special Resolution"	:	Has the meaning given in Section 184 of the Act.
"telecommunication system"	:	Has the meaning as in the Telecommunications Act (Chapter 323) or any statutory modification, amendment or re-enactment thereof for the time being in force.
"treasury share"	:	Has the meaning given in Section 4 of the Act.
"Writing" and "Written"	:	Includes printing, lithography, typewriting and any other mode of representing or reproducing words in a visible form, including electronic communication.
"Year"	:	Calendar Year.

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Chapter 1 of Singapore, shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of these Articles.

BUSINESS

3. Subject to the provisions of the Act, any business may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such business. Any business may be undertaken by Directors.

PRIVATE COMPANY

4. The Company is a private company, and accordingly: Limited number of members and restrictions on the transfer of shares.

   (a) the number of the Members (not including persons who are in the employment of the Company or of its subsidiary and persons who having been formerly in the employment of the Company or of its subsidiary were while in the employment and have continued after the determination of that employment to be Members) shall be limited to 50 Provided that for the purposes of this provision where two (2) or more persons hold one (1) or more shares in the Company jointly they shall be treated as a single Member; and

   (b) the right to transfer the shares of the Company shall be restricted in the manner hereinafter appearing.

SHARES

5. Except as is otherwise expressly permitted by the Act, the Company shall not give, whether directly or indirectly and whether by means of the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise, any financial assistance for the purpose of, or in connection with, the acquisition or proposed acquisition of shares or units of shares in the Company or its holding company. Prohibition of dealing in its own shares.

6. Save as provided by Section 161 of the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to the provisions of these Articles, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Company in General Meeting may approve. Issue of Shares.

7. The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum of Association or these Articles. Without prejudice to any special right previously conferred on the holders of any existing shares or class of shares but subject to the Act and these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise as the Directors may determine. Special rights.

8. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two (2) persons (unless all the shares of the class are held by one (1) person whereupon no quorum is applicable) at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll Provided always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting. Variation of rights.

9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith. Creation or issue of further shares with special rights.

10. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. Power to pay commission and brokerage.

11. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or the provisions of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on such of the shares (excluding treasury shares) as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. Power to charge interest on capital.

12. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder. Exclusion of equities.

13. If two (2) or more persons are registered as joint holders of any share, any one (1) of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the Joint holders.

provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares. Such joint holders shall be deemed to be one (1) Member and the delivery of a certificate for a share to one (1) of several joint holders shall be sufficient delivery to all such holders.

14. No person shall be recognised by the Company as having title to a fractional part of a share or otherwise than as the sole or a joint holder of the entirety of such share. Fractional part of a share.

15. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. Payment of instalments.

16. The certificate of title to shares in the capital of the Company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and shall bear the autographic or facsimile signatures of at least one (1) Director and the Secretary or a second Director or some other person appointed by the Directors, and shall specify the number and class of shares to which it relates and the amount paid and amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors. Share certificates.

17. Every person whose name is entered as a Member in the Register shall be entitled within two (2) months after allotment or within one (1) month after the lodgement of any transfer to one (1) certificate for all his shares of any one (1) class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding $2/- for each such new certificate as the Directors may determine. Entitlement to certificates.

18. If any certificate or other document of title to shares or debentures be worn out or defaced, then upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof. For every certificate so issued there shall be paid to the Company the amount of the proper duty, if any, with which such certificate is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding $2/- as the Directors may determine. Subject to the provisions of the Act and the requirements of the Directors thereunder, if any certificate or document be lost or destroyed or stolen, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, and on the payment of the amount of the proper duty with which such certificate or document is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding $2/- as the Directors may determine, a new certificate or document in lieu thereof shall be given to the person entitled to such lost or destroyed or stolen certificate or document. New certificates may be issued.

RESTRICTION ON TRANSFER OF SHARES

19. Subject to the restrictions of these Articles, any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form, Form of transfer.

or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed both by the transferor and by the transferee, and by the witness or witnesses thereto and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.

20. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same. Retention of transfers.

21. No share shall in any circumstances be transferred to any infant or bankrupt or person of unsound mind. Infant, bankrupt or unsound mind.

22. The Directors may, in their absolute discretion, decline to register any transfer of shares on which the Company has a lien or to a person of whom they do not approve but shall in such event, within one (1) month after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal. If the Directors refuse to register a transfer they shall within one (1) month of the date of application for the transfer by notice in writing to the applicant state the facts which are considered to justify the refusal to register the transfer. Directors' power to decline to register.

23. The Directors may decline to register any instrument of transfer unless: Instrument of transfer.

(a) such fee not exceeding $2/- or such other sum as the Directors may from time to time require under the provisions of these Articles, is paid to the Company in respect thereof; and

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of stamp duty (if any), the certificates of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do.

24. The Company shall provide a book to be called "Register of Transfers" which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares. Register of Transfers.

25. The Register may be closed at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty days in any year. Closure of Register.

TRANSMISSION OF SHARES

26. In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him. Transmission on death.

27. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence of title as the Persons becoming entitled on death or

Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. bankruptcy of Member may be registered.

28. Save as otherwise provided by or in accordance with these Articles a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in respect of the share. Rights of unregistered executors and trustees.

29. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding $2/- as the Directors may from time to time require or prescribe. Fee for registration of probate etc.

CALLS ON SHARES

30. The Directors may from time to time make such calls as they think fit upon the Members in respect of any moneys unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. Calls on shares.

31. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. Time when made.

32. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 10 per cent. (10%) per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. Interest on calls.

33. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date, on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. Sum due on allotment.

34. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments. Power to differentiate.

35. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding 10 per cent. (10%) per annum as the Member paying such sum and the Directors agree upon. *Payment in advance on calls.*

FORFEITURE AND LIEN

36. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued. *Notice requiring payment of calls.*

37. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited. *Notice to state time and place.*

38. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. *Forfeiture on non-compliance with notice.*

39. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid. *Sale of shares forfeited.*

40. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at 10 per cent. (10%) per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares and the Directors may waive payment of such interest either wholly or in part. *Rights and liabilities of Members whose shares have been forfeited or surrendered.*

41. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and on all dividends from time to time declared in respect of the shares. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article. *Company's lien.*

42. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. Sale of shares subject to lien.

43. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale. Application of proceeds of such sales.

44. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share under Seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share. Title to shares forfeited or surrendered or sold to satisfy a lien.

ALTERATION OF CAPITAL

45. The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares. Power to increase capital.

46. Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise. Rights and privileges of new shares.

47. Unless otherwise determined by the Company in General Meeting any new shares shall before issue be offered in the first instance to all the then holders of any class of shares in proportion as nearly as may be to the number of existing shares to which they are entitled. In offering such shares in the first instance to all the then holders of any class of shares, the offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may dispose of or not issue any such shares which by reason Issue of new shares to Members.

of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Article.

48. Except so far as otherwise provided by the conditions of issue or by these Articles all new shares shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfers, transmission, forfeiture and otherwise.

New shares otherwise subject to provisions of Articles.

49. The Company may by Ordinary Resolution:

Power to consolidate, cancel and subdivide shares.

(a) consolidate and divide all or any of its share capital;

(b) cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its share capital by the number of shares so cancelled;

(c) subdivide its shares or any of them (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(d) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.

50. (a) The Company may by Special Resolution reduce its share capital in any manner and with and subject to any incident authorised and consent required by law.

Power to reduce capital.

(b) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company, other than those shares that are to be held in treasury in accordance with the provisions of these Articles and the Act, shall be cancelled.

51. Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of these Articles and the Act.

Treasury shares.

52. Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register as the Member holding the shares.

Ownership of treasury shares.

53. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

Rights of treasury shares.

STOCK

54. The Company may by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares.

Power to convert into stock.

55. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine. Transfer of stock.

56. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Rights of shareholders.

57. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expressions herein shall include "stock" or "stockholder". Interpretation.

GENERAL MEETINGS

58. (a) Subject to the provisions of the Act and Article 59 hereof, the Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one (1) Annual General Meeting of the Company and that of the next; Provided that so long as the Company holds its First Annual General Meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. Annual General Meeting.

(b) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. Extraordinary General Meetings.

(c) The time and place of any General Meeting shall be determined by the Directors. Time and place.

59. (a) The Company shall dispense with the holding of Annual General Meetings in accordance with the provisions of the Act if a resolution to this effect is passed at a General Meeting by all Members as, being entitled to do so, vote in person or by proxy present at the General Meeting. Dispensation of Annual General Meetings.

(b) Notwithstanding a resolution referred to in Article 59(a) being passed to dispense with the holding of Annual General Meetings, any Member may by notice given to the Company in accordance with the requirements of the Act require an Annual General Meeting to be held for that year. The Company shall proceed to convene the Annual General Meeting in accordance with these Articles but shall not be required to convene Annual General Meetings for the subsequent years unless a notice by a Member to require the Company to do so has been received.

(c) Where a resolution referred to in Article 59(a) has been passed to dispense with the holding of Annual General Meetings, any reference in the Act to a deed, act or thing which is required to be done in Annual General Meetings shall be regarded as being done if a resolution or

resolutions of the Members has or have been passed by written means in accordance with these Articles to the effect that such deed, act or thing has been done, and any reference in the Act to the date or conclusion of an Annual General Meeting shall, unless an Annual General Meeting is held, be regarded as the date of expiry of the period within which the Annual General Meeting is required by law to be held.

60. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. Calling Extraordinary General Meetings.

NOTICE OF GENERAL MEETINGS

61. Subject to the provisions of the Act as to special notice, at least 14 days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained and the Act entitled to receive notice from the Company. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed: Notice of Meetings.

(a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting, by a majority in number of the Members having a right to attend and vote thereat as is required by the Act.

62. (a) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member. Contents of notice.

(b) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

(c) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

63. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say: Routine business.

(a) declaring dividends;

(b) reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;

(c) appointing Auditors and fixing the remuneration of Auditors or determining the manner in which such remuneration is to be fixed;

(d) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise; and

(e) fixing the remuneration of the Directors proposed to be paid under Article 96.

PROCEEDINGS AT GENERAL MEETINGS

64. Where there are two (2) or more Members, no business shall be transacted at any General Meeting unless two (2) Members are present to form a quorum. In the event of a corporation being beneficially entitled to the whole of the issued capital of the Company or there being only one (1) Member, one (1) person representing such corporation or the sole Member shall be a quorum and shall be deemed to constitute a Meeting and, if applicable, the provisions of Section 179 of the Act shall apply. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Quorum.

65. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Meeting shall be dissolved. No notice of any such adjournment as aforesaid shall be required to be given to the Members. Adjournment if quorum not present.

66. The Chairman of the Board of Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any Meeting he be not present within 15 minutes after the time appointed for holding the Meeting or be unwilling to act, the Members present shall choose one (1) Director to be Chairman of the Meeting or, if no Director be present or if all the Directors present decline to take the Chair, one (1) of their number present, to be Chairman. Chairman.

67. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. Adjournment.

68. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded by the Chairman or by at least one (1) Member present in person or by proxy or by attorney or in the case of a corporation by a representative and entitled to vote thereat Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or Method of voting.

carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

69. If a poll be duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll.

70. If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. Votes counted in error.

71. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote. Chairman's casting vote.

72. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Time for taking a poll.

73. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded. Continuance of business.

VOTES OF MEMBERS

74. Subject to these Articles and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands every Member entitled to vote who is present in person or by proxy or attorney or in the case of a corporation by a representative shall have one (1) vote and on a poll every such Member shall have one (1) vote for every share of which he is the holder. Voting rights of Members.

75. Where there are joint registered holders of any share any one (1) of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto and if more than one (1) of such joint holders be so present at any Meeting that one (1) of such persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof. Voting rights of joint holders.

76. A Member of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, Provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty eight hours before the time appointed for holding the Meeting. Voting rights of Members of unsound mind.

77. Subject to the provisions of these Articles and the Act, every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. Right to vote.

78. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive. Objections.

79. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way. Votes on a poll.

80. An instrument appointing a proxy shall be in writing and: Appointment of proxies.

(a) in the case of an individual shall be signed by the appointor or by his attorney; and

(b) in the case of a corporation shall be either under the common seal or signed by its attorney or by an officer on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

81. A proxy need not be a Member. Proxy need not be a Member.

82. An instrument appointing a proxy or the power of attorney or other authority, if any, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting not less than forty eight hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine. Deposit of proxies.

83. An instrument appointing a proxy shall be in the following form with such variations if any as circumstances may require or in such other form as the Directors may accept and shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting: Form of proxies.

"TAP ENERGY (M-7) PTE. LTD."

"I/We,
of
a Member/Members of the abovenamed Company hereby appoint
of
or whom failing
of
to vote for me/us and on my/our behalf
at the (Annual, Extraordinary or Adjourned,
as the case may be) General Meeting of
the Company to be held on the day

of and at every adjournment thereof."

"As Witness my/our hand this day of ."

An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

84. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of these Articles shall also include a power of attorney) shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. Intervening death or insanity of principal not to revoke proxy.

85. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member. Corporations acting by representatives.

SHAREHOLDERS' RESOLUTIONS BY WRITTEN MEANS

86. Save for a resolution referred to in Article 59 to dispense with the convening of Annual General Meetings or a resolution for which special notice is required under the Act, any resolution required to be passed by the Members of the Company in General Meeting may be passed by written means in accordance with the provisions of Sections 184A to 184F of the Act and these Articles. Where a resolution is deemed to be duly passed by written means, the requirements as to the procedures in these Articles concerning the giving of notice of General Meetings, proceedings of such General Meetings and voting by Members at such General Meetings shall be deemed to be satisfied. Passing Shareholders' Resolutions by Written means.

87. A Special Resolution is passed by written means if the resolution indicates that it is a Special Resolution and it has been formally agreed on any date by one (1) or more Members who on that date represent at least 75 per cent. (75%) of the total voting rights of all Members who on that date would have the right to vote on that resolution had a General Meeting been convened. An Ordinary Resolution is passed by written means if the resolution does not indicate that it is a Special Resolution and it has been formally agreed on any date by one (1) or more Members who on that date represent a majority of the total voting rights of all Members who on that date would have the right to vote on that resolution at a General Meeting had a General Meeting been convened. For the avoidance of doubt, the requisite number of Members need not give their formal agreement to any Special Resolution or Ordinary Resolution on a single day. Resolutions by Written Means.

88. For the purpose of Article 87, a resolution is formally agreed by a Member if: Formal Agreement.

(a) the Company receives from the Member (or his proxy) a document that (i) is given to the Company in legible form or a permitted alternative form; (ii) indicates the Member's agreement (or agreement on his behalf) to the resolution; and (iii) includes the text of the resolution or

otherwise makes clear that it is that resolution that is being agreed to; and

(b) the Member (or his proxy) had a legible text of the resolution before giving that document.

In this Article 88 and also for the purpose of Article 90, something is "in legible form or a permitted alternative form" if, and only if, it is sent or otherwise supplied (aa) in a form (such as paper document) that is legible before being sent or otherwise supplied and does not change form during that process or (bb) through electronic communication.

89. A resolution of the Company may only be passed by written means if agreement was first sought by the Directors in accordance with Article 90 or under the circumstances described in Section 184B(1)(a)(ii) of the Act. For the avoidance of doubt, other than the requirements stated in Articles 86 to 93 hereof, there is no other condition in the Memorandum of Association or these Articles relating to the passing of resolutions by written means that needs to be satisfied. Agreement to be sought.

90. In seeking the agreement of the Members to pass any resolution by written means, the Directors shall send to each Member who would have the right to vote on that resolution had a General Meeting been convened, a copy of the text of the resolution in legible form or a permitted alternative form. As far as practicable, the Directors shall send the text of the resolution as respects every Member at the same time and without delay, and the provisions of Section 184C of the Act shall apply. Text of resolution.

91. Any Member who represents at least five per cent. (5%) of the total voting rights of all Members would have the right to vote on that resolution had a General Meeting been convened, may within seven (7) days after receiving the text of the resolution sent pursuant to Article 90 or the documents referred to in Section 183(3A) of the Act, as the case may be, give notice to the Company requiring that a General Meeting be convened for the purpose of considering, and if thought fit, passing the resolution. Upon receipt of such a notice, the Directors shall proceed to convene a General Meeting in accordance with Articles 61 to 73 hereof. Right to convene General Meeting.

92. Where a resolution of the Members is passed by written means, the Company shall notify every Member that the resolution has been passed within 15 days from the date on which a Director or Company Secretary first becomes aware that the resolution has been passed. The Company shall cause a record of the resolution passed by written means and the indication of each Member's agreement (or agreement on his behalf) to be entered in a book in the like manner for recording proceedings of General Meetings in the minute book. Any such record, if purporting to be signed by a Director or the Company Secretary shall be evidence of the proceedings in passing the resolution, and until the contrary is proved, the record shall also be evidence that the requirements of the Act with respect to the proceedings in passing the resolution have been complied with. Notification and record of resolution passed.

93. Notwithstanding anything in these Articles, where there is only one (1) Member of the Company, a resolution passed by written means may be passed by the Member recording the resolution and signing the record in accordance with the provisions of Section 184G of the Act. Written record of Sole Member.

DIRECTORS

94. Subject to the other provisions of Section 145 of the Act, the Company shall have at least one (1) Director being a natural person of full age and capacity who is ordinarily resident in Singapore and unless otherwise determined by a General Meeting, there shall be no maximum number of Directors holding office at any time. Number of Directors.

95. A Director need not be a Member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in General Meeting but shall be entitled to attend and speak at General Meetings. Where the Company only has one (1) Member, the sole Member may also be the sole Director of the Company Provided that the requirements in Article 94 are complied with. Qualification.

96. Subject to Section 169 of the Act, the remuneration of the Directors shall be determined from time to time by the Company in General Meeting, and shall be divisible among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for the proportion of remuneration related to the period during which he has held office. Remuneration of Directors.

97. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. Travelling expenses.

98. Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may, subject to Section 169 of the Act, be paid such extra remuneration as the Directors may determine. Extra remuneration.

99. (a) Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established. Power of Directors to hold office of profit and to contract with Company.

(b) Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Subject to such disclosure, a Director shall be entitled to vote in respect of any transaction or arrangement in which he is interested and he shall be taken into account in ascertaining whether a quorum is present. Directors to observe Section 156 of the Act.

100. (a) A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed. shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.

Holding of office in other companies.

(b) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

Directors may exercise voting power conferred by Company's shares in another company.

APPOINTMENT AND REMOVAL OF DIRECTORS

101. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or in accordance with these Articles.

Directors' power to fill casual vacancies and to appoint additional Director.

102. The Company may by Ordinary Resolution remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement between the Company and such Director.

Removal of Directors.

103. The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article.

Appointment in place of Director removed.

MANAGING DIRECTORS

104. The Directors may from time to time appoint one (1) or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places.

Appointment of Managing Directors.

105. A Managing Director shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause he shall ipso facto and immediately cease to be a Managing Director.

Resignation and removal of Managing Director.

106. Subject to Section 169 of the Act, the remuneration of a Managing Director shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participation in profits or by any or all of these modes.

Remuneration of Managing Director.

107. The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as

Powers of Managing Director.

they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any of such powers.

VACATION OF OFFICE OF DIRECTOR

108. The office of a Director shall be vacated in any one (1) of the following events, namely: Vacation of office of Director.

(a) if he becomes prohibited from being a Director by reason of any order made under the Act;

(b) if he ceases to be a Director by virtue of any of the provisions of the Act or these Articles;

(c) subject to Section 145 of the Act, if he resigns by writing under his hand left at the Office;

(d) if he has a receiving order made against him or suspends payments or compounds with his creditors generally;

(e) if he is found lunatic or becomes of unsound mind; or

(f) if he is absent from meetings of the Directors for a continuous period of six (6) months without leave from the Directors and the Directors resolve that his office be vacated.

ALTERNATE DIRECTORS

109. (a) Any Director may at any time by writing under his hand and deposited at the Office or by telefax sent to the Secretary appoint any person to be his Alternate Director and may in like manner at any time terminate such appointment. Any appointment or removal by telefax shall be confirmed as soon as possible by letter, but may be acted upon by the Company meanwhile. Appointment of Alternate Directors.

(b) A Director or any other person may act as an Alternate Director to represent more than one (1) Director and such Alternate Director shall be entitled at Directors' meetings to one (1) vote for every Director whom he represents in addition to his own vote if he is a Director.

(c) The appointment of an Alternate Director shall ipso facto determine on the happening of any event which if he were a Director would render his office as a Director to be vacated and his appointment shall also determine ipso facto if his appointor ceases for any reason to be a Director.

(d) An Alternate Director shall be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally, if his appointor is absent from Singapore or is otherwise unable to act as such Director, to perform all functions of his appointor as a Director (except the power to appoint an Alternate Director) and to sign any resolution in accordance with the provisions of Article 115.

(e) An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under these Articles but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote Provided that if the Company has more than one (1) Director, he shall not constitute a quorum under Article 112 if he is the only person present at the meeting notwithstanding that he may be an Alternate to more than one (1) Director.

(f) An Alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

(g) An Alternate Director shall not be required to hold any share qualification.

PROCEEDINGS OF DIRECTORS

110. (a) The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Subject to the provisions of these Articles, questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman of the meeting shall not have a second or casting vote. Meetings of Directors.

(b) Any Director may participate in a meeting of the Directors by telephone conference, video conference, audio visual or by means of a similar communication equipment whereby all persons participating in the meeting are able to hear each other in which event such Director shall be deemed to be present at the meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Minutes of the proceedings at a meeting by telephone conference, video conference, audio visual, or other similar communications equipment signed by the Chairman of the meeting shall be conclusive evidence of such proceedings and of the observance of all necessary formalities.

111. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. At least 14 days' notice in writing (exclusive of the day on which the notice is served or is deemed to be served) of every meeting of the Directors shall be given to every Director. Every such notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted Provided that any Director may waive the requirement for notice or accept shorter notice of any meeting of the Directors. Convening meetings of Directors.

112. Except where the Company only has one (1) Director, the quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two (2) Provided that where no quorum is present at any duly convened meeting, the meeting shall be adjourned seven (7) days thereafter at the same time and place and such Directors as are present at such meeting shall be the quorum. A meeting of the Quorum.

Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors.

113. The continuing Directors may act notwithstanding any vacancies in their body but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings of the Company but not for any other purpose. If there be no Directors or Director able or willing to act, then any Members, or if the Company only has a sole Member, then that sole Member, may summon a General Meeting for the purpose of appointing one (1) or more Directors.

Proceedings in case of vacancies.

114. The Director shall elect a Chairman and may elect one (1) or more Vice-Chairmen and the Directors may determine the period for which such officers shall respectively hold office. The Chairman (if any), or, in the absence of the Chairman, the Vice-Chairman (if any), or, in the event that there are more than one (1) Vice-Chairman, the senior in appointment among them, shall preside at the meetings of the Directors. If such officers have not been appointed, or if no such officer is present within five (5) minutes after the time appointed for a meeting, the Directors present shall choose one (1) of their number to be Chairman of such meeting.

Chairman and Vice-Chairman.

115. A resolution in writing signed by the majority of Directors being not less than are sufficient to form a quorum shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one (1) or more of the Directors, Provided that, where a Director has appointed an Alternate Director, the Director or (in lieu of the Director) his Alternate may sign. The expressions "in writing" and "signed" include approval by any such Director by telefax or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

Resolutions in writing.

116. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

Power to appoint committees.

117. The meetings and proceedings of any such committee consisting of two (2) or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

Proceedings at committee meetings.

118. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

Validity of acts of Directors in spite of some formal defect.

119. Notwithstanding anything in these Articles, where the Company only has a sole Director, all acts required to be done or business required to be transacted by a meeting of Directors or of a committee of Directors may be done or undertaken by the sole Director and a declaration made by the sole Director, and recorded and signed by the sole Director, shall be evidence that the same has been done or undertaken.

Declaration by a sole Director.

GENERAL POWERS OF THE DIRECTORS

120. The business of the Company shall be managed by or under the direction of the Directors. The Directors may exercise all the powers of the Company except any powers that the Act or the Memorandum of Association and Articles of the Company require the Company to exercise in General Meeting. In particular and without prejudice to the generality of the foregoing the Directors may at their discretion exercise every borrowing power vested in the Company together with collateral power of hypothecating the assets of the Company including any uncalled or called but unpaid capital, Provided that the Directors shall not carry into effect any proposals for disposing of the whole or substantially the whole of the Company's undertaking or property unless those proposals have been approved by the Company in General Meeting.

General powers of Directors to manage Company's business.

121. The Directors may from time to time by power of attorney appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.

Power to appoint attorneys.

122. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

Signature of cheques and bills.

BORROWING POWERS

123. The Directors may borrow or raise money from time to time for the purpose of the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures or otherwise as they may think fit.

Directors' borrowing powers.

SECRETARY

124. The Secretary or Secretaries shall and a Deputy or Assistant Secretary or Secretaries may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act and in particular Section 171 thereof.

Secretary.

SEAL

125. (a) The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or a committee of Directors authorised by the Directors in that behalf, and every

Seal.

instrument to which the Seal shall be affixed shall (subject to the provisions of these Articles as to certificates for shares) be signed by a Director and shall be countersigned by the Secretary or a second Director or by some other person appointed by the Directors in place of the Secretary or such second Director for the purpose.

(b) The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors. Official Seal.

(c) The Company may have a duplicate Common Seal as referred to in Section 124 of the Act which shall be a facsimile of the Common Seal with the addition on its face of the words "Share Seal". Share Seal.

AUTHENTICATION OF DOCUMENTS

126. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager and other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Power to authenticate documents.

127. A document purporting to be a copy of a resolution of the Directors, an extract from the minutes of a meeting of Directors or a declaration signed by a sole Director in accordance with Article 119 hereof, which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted or deemed meeting of the Directors. Any authentication or certification made pursuant to this Article may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors. Certified copies of resolution of the Directors.

DIVIDENDS

128. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors. Payment of dividends.

129. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide and except as otherwise permitted under the Statutes: Apportionment of dividends.

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which dividend is paid.

For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.

130. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit. Payment of preference and interim dividends.

131. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company. Dividends not to bear interest.

132. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith. Deduction of debts due to Company.

133. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Retention of dividends on shares subject to lien.

134. The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same. Retention of dividends on shares pending transmission.

135. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any or any such moneys dividend unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. Unclaimed dividends.

136. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one (1) or more of such ways; and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividend in specie.

137. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder to any one (1) of such persons or to such persons and Dividends payable by cheque.

such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

138. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer. Effect of transfer.

RESERVES

139. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one (1) fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide. Power to carry profit to reserve.

CAPITALISATION OF PROFITS AND RESERVES

140. The Company may, upon the recommendation of the Directors, by Ordinary Resolution issue bonus shares for which no consideration is payable to the Company, to the Members holding shares in the Company in proportion to their then holdings of shares and/or to capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution, Provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members holding shares in the Company in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full new shares or debentures of the Company, such shares or debentures to be allotted and distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in one way and partly in the other. Power to issue bonus shares and to capitalise profits.

141. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provisions by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Implementation of resolution to capitalise profits.

Company rather than to the Members concerned) and also to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

MINUTES AND BOOKS

142. The Directors shall cause minutes to be made in books to be provided for the purpose: Minutes.

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of Directors and of any committee of Directors;

(c) of all resolutions and proceedings at all Meetings of the Company and of any class of Members, of the Directors and of committees of Directors;

(d) of all declarations made by a sole Director which is recorded and signed by the sole Director; and

(e) of all resolutions passed by written means with the indication of each Member's agreement (or agreement on his behalf) to the resolutions.

143. The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created by or affecting property of the Company, with regard to keeping a Register of Directors, Managers, Secretaries and Auditors, the Register, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and with regard to the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company. Keeping of Registers, etc.

144. Any register, index, minute book, book of accounts or other book required by these Articles or by the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery. Form of registers, etc.

ACCOUNTS

145. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of the Act and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited. Directors to keep proper accounts.

146. Subject to the provisions of Section 199 of the Act, the books of accounts shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of Location and inspection.

inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company.

147. Subject to the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary. Presentation of accounts.

148. Subject to the provisions of the Act, a copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by the Act to be annexed thereto) together with a copy of every report of the Auditors relating thereto (if required) and of the Directors' report shall not less than 14 days before the date of the Meeting or if a resolution under Section 175A of the Act is in force, not less than 28 days before the end of the period allowed for the laying of these documents, be sent to every Member of, and every holder of debentures (if any) of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles, Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one (1) of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. Copies of accounts.

AUDITORS

149. Subject to the provisions of the Act, Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act. Appointment of Auditors.

150. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. Validity of acts of Auditors in spite of some formal defect.

151. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting to which any Member is entitled and to be heard at any General Meeting on any part of the business of the Meeting which concerns them as Auditors. Auditors' right to receive notices of and attend at General Meetings.

NOTICES

152. (a) Any notice may be given by the Company to any Member in any of the following ways: Service of notice.

(i) by delivering the notice personally to him; or

(ii) by sending it by prepaid mail to him at his registered address in Singapore or where such address is outside Singapore by prepaid air-mail; or

(iii) by sending a telefax containing the text of the notice to him at his fax number in Singapore or where such fax number is

outside Singapore to such fax number or to any other fax number as might have been previously notified by the Member concerned to the Company; or

(iv) by electronic communication containing the text of the notice to him at an electronic mailing address as previously notified by the Member concerned to the Company for the purpose of receiving electronic communication.

(b) Any notice or other communication served under any of the provisions of these Articles on or by the Company or any officer of the Company may be tested or verified by telefax or telephone or electronic means or such other manner as may be convenient in the circumstances but the Company and its officers are under no obligation so to test or verify any such notice or communication.

153. All notices and documents (including a share certificate) with respect to any shares to which persons are jointly entitled shall be given to whichever of such persons is named first on the Register and notice so given shall be sufficient notice to all the holders of such shares. Service of notices in respect of joint holders.

154. Any Member with a registered address shall be entitled to have served upon him at such address any notice to which he is entitled under these Articles, except where the Member has an electronic mailing address notified to the Company for the purpose of receiving electronic communication whereupon any notice may be served by the Company to the Member concerned by electronic communication at the said electronic mailing address. Members shall be served at registered address.

155. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address for the service of notice, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the registered address of any Member or sent by electronic communication in pursuance of these Articles shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company has notice of the same) be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder. Service of notices after death etc. of a Member.

156. (a) Any notice given in conformity with Article 152 shall be deemed to have been given at any of the following times as may be appropriate: When service effected.

(i) when it is delivered personally to the Member, at the time when it is so delivered;

(ii) when it is sent by prepaid mail to an address in Singapore or by prepaid airmail to an address outside Singapore, on the day following that on which the notice was put into the post; or

(iii) when the notice is sent by telefax, or electronic communication, on the day it is so sent.

(b) In proving such service or sending, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter or airmail letter as the case may be or that a telex or telefax or electronic communication was properly addressed and transmitted in the manner provided in the Act.

157. Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written. Signature on notice.

158. When a given number of days' notice or notice extending over any other period is required to be given the day of service shall not, unless it is otherwise provided or required by these Articles or by the Act, be counted in such number of days or period. Day of service not counted.

159. (a) Notice of every General Meeting shall be given in the manner hereinbefore authorised to: Notice of General Meeting.

(i) every Member;

(ii) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the Meeting; and

(iii) the Auditor for the time being of the Company.

(b) No other person shall be entitled to receive notices of General Meetings.

160. The provisions of Articles 152, 156, 157 and 158 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors. Notice of meetings of Directors or any committee of Directors.

WINDING UP

161. Subject to the provisions of these Articles and the Act, if the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one (1) kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one (1) or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator with the like authority thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability. Distribution of assets in specie.

INDEMNITY

162. Subject to the provisions of the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the Indemnity of Directors and officers.

execution and discharge of his duties or in relation thereto and in particular and without prejudice to the generality of the foregoing no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own negligence, wilful default, breach of duty or breach of trust.

SECRECY

163. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law. Secrecy

NAME, ADDRESS AND OCCUPATION OF SUBSCRIBER

Tay Tuan Leng
Blk 635 Pasir Ris Drive 1
#11-600
Singapore 510635

Senior Manager

Dated this 26th of September 2014

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Continuing operations			
Revenue	2(a)	26,984	41,512
Cost of sales	2(b)	(12,037)	(21,478)
Gross profit		14,947	20,034
Other revenue	2(a)	1,971	4,728
Other income	2(c)	3,379	-
Administration expenses	2(d)	(6,784)	(5,684)
Finance costs	2(e)	(1,031)	(529)
Exploration impairment losses/write-downs	2(f)	(47,147)	(8,657)
Other expenses	2(g)	(4,900)	(9,804)
(Loss)/profit before tax		**(39,565)**	**88**
Income tax and PRRT benefit/(expense)	3(a)	173	(3,388)
Loss for the year from continuing operations		**(39,392)**	**(3,300)**
Discontinued operations			
Loss for the year from discontinued operations		-	(249)
Loss for the year		**(39,392)**	**(3,549)**
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation differences - foreign operations		8,002	-
Total comprehensive income for the year		**(31,390)**	**(3,549)**
Earnings per share from continuing and discontinued operations:			
Basic (cents per share)	13	(16.3)	(1.5)
Diluted (cents per share)	13	(16.3)	(1.5)
Earnings per share from continuing operations:			
Basic (cents per share)	13	(16.3)	(1.4)
Diluted (cents per share)	13	(16.3)	(1.4)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Consolidated statement of financial position as at 31 December 2013

	Note	2013 $'000	2012 $'000
Current assets			
Cash and cash equivalents	19(a)	43,514	96,378
Trade and other receivables	4	11,767	7,025
Inventories	5	3,296	822
Other current assets	6	4,636	5,934
Total current assets		63,213	110,159
Non-current assets			
Property, plant and equipment	7	101,980	57,142
Exploration and evaluation assets	8	90,487	87,237
Total non-current assets		192,467	144,379
Total assets		**255,680**	**254,538**
Current liabilities			
Trade and other payables	9	53,858	20,029
Current tax liability	3(b)	-	5,035
Provisions	10	3,540	3,464
Total current liabilities		57,398	28,528
Non-current liabilities			
Deferred tax liabilities	3(c)	12,034	12,203
Provisions	10	14,182	14,389
Other non-current liabilities		3,297	-
Total non-current liabilities		29,513	26,592
Total liabilities		**86,911**	**55,120**
Net assets		**168,769**	**199,418**
Equity			
Issued capital	11	157,729	157,729
Share options reserve		4,491	4,491
Share rights reserve		2,091	1,350
Foreign currency translation reserve		8,002	-
Current year profit reserve		34,608	-
Retained earnings		(38,152)	35,848
Total equity		**168,769**	**199,418**

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity for the financial year ended 31 December 2013

	Note	Issued capital $'000	Share options reserve (i) $'000	Share rights reserve (i) $'000	Foreign currency translation reserve(i) $'000	Current year profit reserve(i) $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2012		**157,546**	**4,491**	**893**	-	-	**39,397**	**202,327**
Loss for the year		-	-	-	-	-	(3,549)	(3,549)
Total comprehensive income for the year		-	-	-	-	-	(3,549)	(3,549)
Issue of shares	11	183	-	-	-	-	-	183
Redemption of vested share rights		-	-	(176)	-	-	-	(176)
Recognition of share-based payments	2(d)	-	-	633	-	-	-	633
Balance at 31 December 2012		**157,729**	**4,491**	**1,350**	-	-	**35,848**	**199,418**
Loss for the year		-	-	-	-	-	(39,392)	(39,392)
Other comprehensive income for the year		-	-	-	8,002	-	-	8,002
Total comprehensive income for the year		-	-	-	8,002	-	(39,392)	(31,390)
Appropriation to current year profit reserve		-	-	-	-	34,608	(34,608)	-
Redemption of vested share rights		-	-	(123)	-	-	-	(123)
Recognition of share-based payments	2(d)	-	-	864	-	-	-	864
Balance at 31 December 2013		**157,729**	**4,491**	**2,091**	**8,002**	**34,608**	**(38,152)**	**168,769**

(i) For a description of the nature and purpose of Reserves refer to note 12.

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows for the financial year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		21,626	36,062
Payments to suppliers and employees		(22,322)	(23,017)
Interest received		2,426	4,322
Income taxes paid		(5,031)	(1,673)
Net cash (used in)/provided by operating activities	19(b)	(3,301)	15,694
Cash flows from investing activities			
Payments for property, plant and equipment		(4,098)	(13,084)
Payments for exploration assets		(48,459)	(17,475)
Payments for restoration expenditure		(358)	(1,826)
Proceeds from the farm-out of permit interests		1,484	2,812
Proceeds from disposal of permit interests		-	19,568
Net cash inflow on disposal of subsidiary		-	8,549
Net cash used in investing activities		(51,431)	(1,456)
Cash flows from financing activities			
Proceeds from issues of shares		-	183
Purchase of shares under share-based payment arrangements		(123)	(176)
Payments for financing costs		(1,990)	-
Net cash (used in)/provided by financing activities		(2,113)	7
Net (decrease)/increase in cash and cash equivalents		(56,845)	14,245
Cash and cash equivalents at the beginning of the financial year		96,378	82,443
Effects of exchange rate changes on the balance of cash held in foreign currencies		3,981	(310)
Cash and cash equivalents at the end of the financial year	19(a)	**43,514**	**96,378**

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements for the financial year ended 31 December 2013

1. Summary of accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report comprises the consolidated financial statements of the Consolidated Entity. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).
The financial statements were authorised for issue by the directors on 28 February 2014.

Basis of preparation

The financial report has been prepared in Australian Dollars, unless otherwise noted, and on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Consolidated Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

1. Summary of accounting policies (cont'd)

New and revised Standards and Interpretations affecting amounts reported and/or disclosures in the financial statement

In the current year the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The following Standards and Interpretations were adopted:

- AASB 10 – Consolidated Financial Statements
- AASB 11 – Joint arrangements
- AASB 12 – Disclosure of interest in Other Entities
- AASB 127 – Separate Financial Statements (2011)
- AASB 128 – Investments in Associates and Joint Ventures (2011)
- AASB 13 – Fair value measurement and related AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 119 – Employee benefits (2011), AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (2011) and AASB 2011-11 Amendments to AASB 119 (2011)
- AASB 2011 4 – Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards
- AASB 2011 9 – Amendments to Australian Accounting Standards - Presentation of other comprehensive income
- AASB 2012 2 – Amendments to Australian Accounting Standards - Disclosures - Offsetting financial assets and financial liabilities (Amendments to AASB 7)
- AASB 2012 5 – Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The adoption of these standards did not result in changes in accounting policies or adjustments to the amounts recognised in the financial statements. The standards only affected disclosures in the notes to the financial statements.

Impact of the application of AASB 10

AASB 10 changes the definition of control such that an investor has control over an investee when a) it has power of the investee b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The application of AASB 10 has had no impact on the consolidated financial statements.

Impact of the application of AASB 11

AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e joint venturers) have rights to the net assets of the arrangement. Previously, AASB 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangement under AASB 31 was primarily determined based on the legal form of the arrangement.

The directors of the Company reviewed and assessed the classification of the Consolidated Entity's interest in joint arrangements in accordance with the requirements of AASB 11. The directors conclude that all joint arrangements are appropriately classified as joint operations and no change is required in the accounting treatment as the Consolidated Entity previously reported its share of assets and liabilities under the respective headings in the financial statements.

1. Summary of accounting policies (cont'd)

New and revised Standards and Interpretations affecting amounts reported and/or disclosures in the financial statement (cont'd)

Impact of the application of AASB 12

AASB 12 is a new disclosure standard and is applicable to entities that have interest in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements but this has not had a material impact on the current year consolidated financial statements.

Impact of the application of AASB 13

The Consolidated Entity has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurement and disclosures about fair value measurements. The scope of AASB 13 is broad, the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASB require or permit fair value measurements and disclosures about fair value measurements, except share-based payment transactions that are within the scope of AASB 2, leasing transactions within the scope of AASB 17 and measurements that have some similarities to fair value but are not fair value.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation n technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. The application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 119

In the current year, the Consolidated Entity has applied AASB 119 (as revised in 2011) 'Employee Benefits' and the related consequential amendments for the first time.
AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. These are not currently relevant for the Consolidated Entity and has not had any impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 2012-2

The Consolidated Entity has applied the amendments to AASB 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Consolidated Entity does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements. The Consolidated Entity has not elected to early adopt any new standards or amendments.

1. Summary of accounting policies (cont'd)

Adoption of new and revised Accounting Standards

At the date of authorisation of the financial report, a number of Standards and Interpretations were on issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 'Financial Instruments'(December 2009) and AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure' AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2017
AASB 1031 'Materiality' (2013)	1 January 2014
ASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014
AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014
AASB 2013-4 'Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	Part B – Materiality 1 January 2014 Part C – Financial Instruments 1 January 2014

At the date of authorisation of the financial report, there were no Standards and Interpretations issued by the IASB/IFRIC where an equivalent Australian Standard or Interpretation has not been made by the AASB, in issue but not yet effective.

The Directors note that the impact of the initial application of the Standards and Interpretations is not yet known or is not reasonably estimable. These Standards and Interpretations will be first applied in the financial report of the Consolidated Entity that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

1. Summary of accounting policies (cont'd)

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, demand deposits, the Consolidated Entity's share of joint operations bank balances and investments in money market instruments. Cash equivalents are short-term, and highly liquid investments.

Any bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(b) Comparative amounts

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified unless the reclassification is impracticable.

(c) Derivative financial instruments

The Consolidated Entity may enter into a variety of derivative financial instruments to manage its exposure to oil price movements and foreign exchange rate risk. As at the end of the reporting period there were no such instruments in place.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

<u>Cash flow hedge</u>

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

At 31 December 2013, there are no outstanding cash flow hedges (31 December 2012: nil).

(d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to reporting date.

Contributions to superannuation plans are expensed when incurred.

(e) Financial assets

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the company financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans to related parties are recorded at the amortised cost amount, with no fixed due date, nor is interest charged on the outstanding balance.

1. Summary of accounting policies (cont'd)

(e) Financial assets (cont'd)

Trade Receivables and Loans

Loans and receivables are recorded at the amortised cost amount using the effective interest rate method less impairment.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indications of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

(f) Financial instruments issued by the Company

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated Entity are recorded at the proceeds received, net of direct issue costs.

(g) Trade payables and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Included in other payables is income received in advance. This represents gas sales for which payment has been received, but the gas has not yet been delivered. The gas revenue will be recognised in the profit/loss when the gas is delivered to the customers in future periods.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(i) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect on the dates of the transactions.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer note 1(c)) are recognised in the hedge reserve.

(j) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1. Summary of accounting policies (cont'd)

(j) Impairment of assets (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(k) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a subsidiary undertakes its activities under joint operations, the Consolidated Entity as a joint operator recognises in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly,
- its liabilities, including its share of any liabilities incurred jointly,
- its revenue from the sales of its share of the output arising from the joint operation,
- its share of the revenue from the sale of the output by the joint operation, and
- its expenses, including it share of any expense incurred jointly.

Interests in joint operations are reported in the financial statements by including the Consolidated Entity's share of assets employed in the joint operations, the share of liabilities incurred in relation to the joint operations and the share of any expenses incurred in relation to the joint operation in their respective classification categories. The Consolidated Entity accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a subsidiary transacts with a joint operation in which it is a joint operator (such as a sale or contribution of assets), the Consolidated Entity is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Consolidated Entity's financial statements only to the extent of other parties' interests in the joint operation.

When a subsidiary transacts with a joint operation in which it is a joint operator (such as a purchase of assets), the Consolidated Entity does not recognise its share of the gains and losses until it resells those assets to a third party.

(l) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

(m) Petroleum exploration and evaluation expenditure

Exploration and evaluation expenditure is brought to account at cost and is classified as tangible assets.

Ongoing costs of acquisition, exploration and evaluation are capitalised in relation to each separate area of interest in which rights to tenure of the area of interest are current and in respect of which:

(i) such costs are expected to be recouped through successful development and exploitation of the area or alternatively by their sale; or

(ii) exploration and evaluation activities in the area have not yet reached the stage which permits a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations are continuing

1. Summary of accounting policies (cont'd)

(m) Petroleum exploration and evaluation expenditure (cont'd)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

All exploration permits are treated as separate areas of interest, with certain areas of interest recognised at the field level.

The Consolidated Entity does not record any expenditure made by a farmee on the Consolidated Entity's account in respect of farm-outs. The Consolidated Entity also does not recognise any gain or loss on its exploration and evaluation farm-out arrangement, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitlalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Once an area of interest enters a development phase, all capitalised acquisition, exploration and evaluation expenditure is transferred to development costs within property, plant and equipment.

(n) Petroleum Resources Rent Tax and Government royalties

PRRT is recognised as an income tax expense on an accruals basis when the corresponding sales are recognised and an amount calculated in accordance with government legislative requirements will be payable on those sales.

PRRT is accounted for in relation to the Consolidated Entity's sales from Woollybutt Joint Venture operations. PRRT is calculated at the rate of 40% of sales revenues less certain permitted deductions and is tax deductible for income tax purposes.

(o) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company (the parent entity) and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances incidate that there are changes to one or more of the three elements of control listed above.

A list of subsidiaries is included in note 18 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Consolidated Entity are eliminated in full.

1. Summary of accounting policies (cont'd)

(o) Principles of consolidation (cont'd)

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Tap Oil Limited and the presentation currency for the consolidated financial statements.

The functional currency of all the entities in the Consolidated Entity is Australian dollars except for Tap Energy Thailand Pty Ltd (Thai Branch) which has a functional currency of United States dollars. The financial statements of subsidiaries whose functional currency is in a currency other than Australian dollar have been converted into the presentation currency as follows:

(i) assets and liabilities are translated to the presentation currency at exchange rates at the reporting date. Income and expenses are translated to the presentation currency at exchange rates at the dates of the transactions.

(ii) Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

(p) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item, cost of replacing part of the property, plant and equipment and borrowing cost capitalised.

In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on property, plant and equipment, other than capitalised development costs and leasehold improvement costs, on a declining balance basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

• Office improvements, furniture & equipment	3 – 12 years
• Development expenditure	Unit of production
• Oil & gas facilities	Unit of production

Capitalised development costs are amortised from the commencement of production on a unit of production basis over recoverable reserves. Recoverable reserves are subject to review annually. The recoverable reserves are estimates calculated from available production and reservoir data and are subject to change. A significant change in estimate could give rise to a material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period.

(q) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Restoration provisions have been based on external studies which estimated the cost of restoration work required at the end of the useful life of the producing fields, including removal of facilities and equipment required or intended to be removed, together with abandonment of production wells.

1. Summary of accounting policies (cont'd)

(q) Provisions (cont'd)

Where a restoration obligation is assumed as part of the acquisition of an asset or obligation, the liability is initially measured at the present value of the future cash flows to settle the present obligation as at the acquisition date. The unwinding of the discount implicit in the present value calculations is included in finance costs.

(r) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Tolling revenue

Tolling revenue, received based on the volume of third party usage of Harriet Joint Venture facilities and associated sales gas pipeline, is recognised as services are provided.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(s) Taxation

Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Tap Oil Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach.

1. Summary of accounting policies (cont'd)

(s) Taxation (cont'd)

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in note 4 to the financial statements. Where the tax contribution amount is recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(t) Share-based payments

Equity-settled share-based payments are measured at fair value at the grant date. Fair value is measured under the Black Scholes model for options and retention rights and the Monte Carlo Simulation Model for performance rights in circumstances where the value cannot be determined based on the service being delivered. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of the number of options and shares that will eventually vest. At the end of each reporting period, the Consolidated Entity revises its estimate of the number equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share rights reserve.

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(v) Non-current assets classified as held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

- When the Consolidated Entity is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Consolidated Entity will retain a non-controlling interest in its former subsidiary after the sale.
- Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.
- In the statement of profit or loss and other comprehensive income, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Consolidated Entity retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.
- Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

1. Summary of accounting policies (cont'd)

(w) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Consolidated Entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

- The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
- Judgments made by management, in the application of the Consolidated Entity's accounting policies, that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Critical accounting estimates and assumptions

(i) Exploration and evaluation expenditures

The application of the Consolidated Entity's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the information becomes available.

(ii) Impairment of oil & gas assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows. For oil and gas assets, expected future cash flow estimation is based on reserves, future production profiles, commodity prices and costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of the oil & gas assets.

(iii) Reserves estimates

Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the income statement and the calculation of inventory.

(iv) Decommissioning costs

Decommissioning costs will be incurred by the Consolidated Entity at the end of the operating life of some of the Consolidated Entity's facilities and properties. The Consolidated Entity assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

1. Summary of accounting policies (cont'd)

(w) Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical accounting estimates and assumptions (cont'd)

(v) Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the future outcome of events.

(vi) Classification of joint arrangements

Exploration, appraisal, development and production activities of the Consolidated Entity are conducted primarily through arrangements with other parties. Each arrangement has a contractual agreement which provides the participating parties rights to the assets and obligations for the liabilities of the arrangement. Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the Consolidated Entity accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.

The Consolidated Entity's interest in joint arrangements is disclosed in note 17. The Consolidated Entity does not currently have any interest in other arrangements with same legal form as a joint operation but that are not subject to joint control.

2. Loss for the year from operations

	Consolidated 2013 $'000	2012 $'000
(a) Revenue		
Sales of oil and gas (i)	26,984	41,512
Other revenue:		
Royalties received	248	301
Interest received	1,723	4,427
	1,971	4,728
	28,955	46,240

(i) The 2012 financial year includes liquid sales from the Woollybutt oil field. The final lifting of oil was conducted on 30 May 2012.

	Consolidated 2013 $'000	2012 $'000
(b) Cost of sales		
Depreciation of capitalised development costs	72	67
Other production costs (i)	11,965	21,411
	12,037	21,478

(i) The 2012 financial year includes production costs in respect of the Woollybutt oil field. The final lifting of oil was conducted on 30 May 2012.

	Consolidated 2013 $'000	2012 $'000
(c) Other Income		
Foreign exchange gain	3,379	-
	3,379	-

	Consolidated 2013 $'000	2012 $'000
(d) Administration expenses		
Loss/(profit) before income tax has been arrived at after charging the following:		
Employee benefit expenses:		
Post employment benefits:		
Superannuation contributions	486	682
Share-based payments:		
Equity settled share-based payments (i)	864	633
Other	7,107	8,083
	8,457	9,398
Depreciation of office fixed assets	117	181
Operating lease rental payments	786	733
Other expenses, net of recoveries (i)	(2,576)	(4,628)
	6,784	5,684

(i) The other expenses are shown net of recoveries. The recoveries represent costs, including time spent by the Consolidated Entity's employees on exploration and production interests, which get recharged to the applicable exploration and production interests.

2. Loss for the year from operations
(cont'd)

	Consolidated 2013 $'000	Consolidated 2012 $'000
(e) Finance costs		
Notional interest from unwinding discount on restoration provisions	551	529
Borrowing costs	480	-
	1,031	529
(f) Impairment losses/write-downs		
Exploration impairment losses/write-downs (i)	38,951	(30,353)
Exploration expenditure write-downs	8,196	39,011
	47,147	8,657

(i) Exploration impairment losses are provided when the carrying amount of the capitalised exploration expenditure exceeds the recoverable amount of the said exploration expenditure. Exploration expenditure is written off and any related impairment losses released when permits are relinquished or disposed. The following are the material items included in the exploration impairment losses/write-downs for the year ended 31 December 2013 (2012: $8.380 million):

Permit	Country/ Company	2013 $'000	Description
G1/48	Thailand	8,214	Malida-1/ST-1 exploration wells unsuccessful
G3/48	Thailand	16,568	Written off to $0
ACCRA	Ghana	17,569	Starfish well unsuccessful, permit to be relinquished. Fully written off.
TL2/TP7	Shelfal	8,011	Taunton 5/5H well unsuccessful
WA8L	Shelfal	(3,475)	Impairment provision reversed to recoverable amount

The exploration impairment losses/write-downs is included in the oil & gas exploration segment.

(ii) No property, plant & equipment impairment loss was recognised in 2013 (2012: nil).

The property, plant and equipment impairment losses are included in the oil & gas production and development segment.

	Consolidated 2013 $'000	Consolidated 2012 $'000
(g) Other expenses		
Foreign exchange loss	-	911
New venture and Business Development expenditure	2,532	4,394
Provision for doubtful debts (i)	1,763	-
Rehabilitation/restoration expenses (ii)	-	2,459
Other	605	2,040
	4,900	9,804

(i) Provision for doubtful debts of $1.763 million in respect of the balance receivable from Apex Gold Pty Ltd which went into administration during the year (2012: Nil).

(ii) The restoration adjustment relating to the Woollybutt restoration liability is captured directly in the Statement of profit or loss and other comprehensive income. In 2012 the Woollybutt asset reached the end of its useful life and was fully impaired.

(h) Depreciation

Depreciation charges are included above in cost of sales (b) and administration expenses (d). Total depreciation for the Consolidated Entity is $0.189 million (2012: $0.248 million).

3. Income taxes

	Consolidated	
	2013 $'000	**2012 $'000**
(a) Income tax recognised in profit or loss		
Tax (benefit)/expense comprises:		
Current tax (benefit)/expense	(3,109)	6,862
PRRT refund received	(119)	-
Adjustments recognised in the current year in relation to the current tax of prior years	115	439
Deferred tax income relating to the origination and reversal of temporary differences	4,440	(4,365)
Deferred PRRT tax (credit)/expense	*(1,500)*	*452*
Total income tax (benefit)/expense from continuing operations	(173)	3,388
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
(Loss)/Profit before tax from continuing operations	(39,565)	88
Loss before tax from discontinued operations	-	(249)
Loss before tax	(39,565)	(161)
Income tax benefit calculated at 30%	(11,869)	(48)
Expenses not deductible for tax purposes	297	550
Other assessable income	-	112
Unused tax losses, tax offsets and temporary differences not recognised as deferred tax assets	20,279	4,270
Foreign tax rate adjustment on unrecognised deferred tax assets	(6,483)	(1,730)
PRRT *related tax (credit)/expense*	(1,619)	452
Other	(861)	(75)
	(256)	3,531
Adjustments recognised in the current year in relation to the current tax of prior years	83	(143)
Income tax (benefit)/expense	(173)	3,388

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

	Consolidated	
	2013 $'000	**2012 $'000**
(b) Current tax assets and liabilities		
Current tax liabilities:		
Tax payable	-	5,035

3. Income taxes (cont'd)

(c) Deferred tax balances

	Consolidated 2013 $'000	Consolidated 2012 $'000
Deferred tax liabilities comprise:		
Temporary differences – refer below	12,034	12,203

	Opening balance $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Recognised directly in equity $'000	Acquisitions/ disposals $'000	Closing balance $'000
Consolidated						
2013						
Income tax losses carried forward	-	3,109	-	-	-	3,109
Property, plant & equipment	(1,178)	35	-	-	-	(1,143)
Deferred exploration	(21,250)	(3,623)	-	-	-	(24,873)
Restoration provisions	9,558	(92)	-	-	-	9,466
Others	667	740	-	-	-	1,407
	(12,203)	169	-	-	-	(12,034)
2012						
Income tax losses carried forward	-	-	-	-	-	-
Property, plant & equipment	(9,440)	(925)	-	-	9,187	(1,178)
Deferred exploration	(23,984)	488	-	-	2,246	(21,250)
Restoration provisions	13,223	4,764	-	-	(8,429)	9,558
Others	842	(415)	-	-	240	667
	(19,359)	3,912	-	-	3,244	(12,203)

	Consolidated 2013 $'000	Consolidated 2012 $'000
Unrecognised deferred tax balances		
The following deferred tax assets, relating to foreign operations, have not been brought to account as assets:		
Tax losses – revenue	21,106	18,727
Temporary differences	7,779	296
	28,885	19,023

The foreign tax losses of $21.106 million at 31 December 2013 include losses of $11.605 million which are due to expire within the next 2 years.

The temporary differences of $7.779 million (2012: $0.296 million) relate mainly to the difference between the tax value and accounting value of exploration and evaluation assets.

	Consolidated 2013 $'000	Consolidated 2012 $'000
(d) Franking account balance		
On a tax paid basis	71,789	66,639

3. Income taxes (cont'd)

Tax consolidation

Relevance of tax consolidation to the Consolidated Entity

The Company and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 January 2004 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tap Oil Limited. The members of the tax-consolidated group are identified at note 18.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding and tax sharing arrangement with the head entity. Under the terms of the tax funding agreement, each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

4. Trade and other receivables

	Consolidated	
	2013 $'000	2012 $'000
Trade receivables (i)	6,892	2,350
Allowance for doubtful debts	(1,763)	-
	5,129	2,350
Joint operations' debtors	4,199	1,155
Other	2,439	3,520
	11,767	7,025
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	-	-
Doubtful debts charge for the year	1,763	-
Classified as held for sale	-	-
Balance at the end of the year	1,763	-

(i) Trade receivables relate to gas sales on terms that result in payment within 30 days from invoice.

An allowance for doubtful debts is recognised when there is objective evidence that an individual trade receivable is impaired. At 31 December 2013 the amount receivable from Apex Gold Pty Ltd of $1.763 million has been fully provided for as the company went into administration during the year. There are no material amounts included in the Consolidated Entity's trade receivable balance (2012: nil) which are past due, but not considered impaired, at the reporting date. The Consolidated Entity does not hold any collateral over the accounts receivable balances.

5. Inventories

	Consolidated	
	2013 $'000	2012 $'000
Materials and consumables – at cost	3,296	822

6. Other current assets

	2013 $'000	2012 $'000
Prepayments	556	585
Prepaid gas	4,080	5,349
	4,636	5,934

7. Property, plant and equipment

	Consolidated 2013 $'000	2012 $'000
Development expenditures		
Gross carrying amount – at cost:		
Opening balance	140,549	88,084
Additions	44,314	12,968
Transfer from exploration expenditure	700	39,497
Closing balance (i)	185,563	140,549
Accumulated depreciation:		
Opening balance	83,715	83,648
Depreciation	72	67
Closing balance	83,787	83,715
Net book value (ii)	101,776	56,834
Office improvements, furniture & equipment		
Gross carrying amount – at cost:		
Opening balance	3,749	3,786
Additions	13	130
Asset write-offs	-	(167)
Closing balance	3,762	3,749
Accumulated depreciation:		
Opening balance	3,441	3,422
Asset write-offs	-	(162)
Depreciation	117	181
Closing balance	3,558	3,441
Net book value	204	308
Total – net book value	101,980	57,142

(i) The cost of development expenditures includes an amount of $2.212 million for abandonment assets (2012: $2.209 million).

(ii) The recoverable amount of the Manora development asset cash-generating unit with a net book value of $96.514 million (2012: $52.203 million) has been determined based on a value in use calculation using cash flow projections from financial budgets covering a nine-year period. The pre-tax discount rate applied to the cash flow projections is 12.5% (2012: 12%), and certain cash flows beyond a five-year period are extrapolated using a 3% growth rate (2012: 3%). As a result of the analysis, management did not identify any impairment for this cash-generating unit.

8. Exploration and evaluation assets

	Consolidated 2013 $'000	Consolidated 2012 $'000
Exploration and/or evaluation phase		
At cost	157,292	115,091
Less: impairment provisions	(66,805)	(27,854)
Net carrying value	90,487	87,237
Reconciliation of movement:		
Opening balance	87,237	141,183
Current year exploration expenditure	51,187	19,532
Exploration impairment losses/write-downs	(47,147)	(8,657)
Transfer to development expenditure	(700)	(39,497)
Disposals	-	(21,168)
Farm-out of partial interest in WA320P and WA155P (i)	(90)	-
Farm-out of interest in Accra Joint Venture (ii)	-	(4,156)
Closing balance	90,487	87,237
Movement in the impairment provision:		
Balance at the beginning of the year	(27,854)	(20,457)
Impairment provision (increase)	(38,951)	(7,397)
Balance at the end of the year	(66,805)	(27,854)

(i) Tap has reduced its participating interest in WA-320-P from 19.78% to 9.78% and WA-155-P from 13.5% to 6.5%.
(ii) Tap has reduced its participating interest in the Offshore Accra Contract Area from 40% to 17.5% in 2012.

Ultimate recoupment of this expenditure is dependent upon the continuance of the Consolidated Entity's right to tenure of the areas of interest and the discovery of commercially viable oil and gas reserves, their successful development and exploitation, or, alternatively, sale of the respective areas of interest at an amount at least equal to book value.

Impairment losses are provided when the carrying amount exceeds the recoverable amount.

Exploration expenditure is written off and any related impairment losses released when permits are relinquished or disposed.

9. Trade and other payables

	Consolidated 2013 $'000	Consolidated 2012 $'000
Trade payables (i)	17,448	2,493
Share of joint operations' payables	28,238	7,789
Goods and services tax (GST) payable	135	285
Other payables	5,402	3,998
Income received in advance	2,635	5,464
	53,858	20,029

(i) The credit period on purchases averages between 7 and 30 days. No interest is charged on trade payables. The Consolidated Entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. Included in Trade Payables at 31 December 2013 are cash calls in respect of G1/48 amounting to $15.347 million that have been paid subsequent to year end.

10. Provisions

	Consolidated 2013 $'000	Consolidated 2012 $'000
Current		
Employee benefits	602	711
Restoration costs	2,938	2,753
	3,540	3,464
Non-current		
Employee benefits	135	154
Restoration costs	14,047	14,235
	14,182	14,389
Restoration costs provision		
Reconciliation of movement:		
Opening balance	16,988	15,815
Increase resulting from re-measurement	-	2,470
Reductions resulting from re-measurement or settlement without cost	(196)	-
Unwinding of discount	551	529
Restoration costs incurred	(358)	(1,826)
Closing balance	16,985	16,988

The provision for restoration costs represents the present value of the directors' best estimate of the future sacrifice of economic benefits that will be required to remove plant and equipment and abandon producing and suspended wells. The unexpired terms used in the present value calculations are various periods up to the year 2015.

11. Issued capital

	Consolidated 2013 $'000	Consolidated 2012 $'000
242,115,528 fully paid ordinary shares (2012: 241,295,311)	157,729	157,729

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	2013 No. '000	2013 $'000	2012 No. '000	2012 $'000
Fully paid ordinary shares				
Balance at beginning of financial year	241,295	157,729	240,995	157,546
Issue of shares under share-based payment schemes (note 21)	821	-	300	183
Balance at end of financial year	242,116	157,729	241,295	157,729

During the year, 821,217 shares were issued as a result of employee retention share rights vesting (2012: 300,000 options exercised).

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share options

In accordance with the provisions of the share-based payment schemes, former directors and employees had no outstanding options over ordinary shares at 31 December 2013 (2012: 871,000). All of the options outstanding at 31 December 2012 expired unexercised during the year (2012: 849,881) and none were forfeited (2012: 11,356).

The share options carried no rights to dividends and no voting rights. Further details of the share-based payment schemes are contained in note 21 to the financial statements.

Share performance and retention rights

In accordance with the provisions of the share-based payment schemes, employees had 13,146,676 (2012: 8,857,048) outstanding performance and retention rights over ordinary shares at 31 December 2013. A total of 1,031,664 of the performance and retention rights vested during the year ended 31 December 2013 (2012: 234,737).

A total of 2,313,136 (2012: 594,343) performance and retention rights were forfeited during the 2013 financial year. A total of 2,125,003 performance rights and retention rights lapsed during the 2013 financial year (2012: 291,565).

A total of 1,019,869 (2012: 815,571) of the performance and retention rights have since lapsed and a total of 121,693 (2012: 313,295) performance and retention rights have since vested.

The performance and retention rights carry no rights to dividends and no voting rights. Further details of the share-based payment schemes are contained in note 21 to the financial statements.

12. Reserves

Nature and purpose of reserves

Share options and rights reserve
The share options reserve and the share rights reserve reflect the cost of share related share-based payments – refer note 1(t) explaining the grant date fair value of options and rights issued to employees but not exercised.

The reserve comprises the credit to equity for equity-settled share-based payment arrangements under AASB 2 – Share-based payments. The standard requires that the expense be charged to the profit and loss component of the statement of comprehensive income, while a credit needs to be raised against equity over the vesting period.

For further information on the share-based payment schemes refer note 21.

Foreign currency translation reserve
Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in the Statement of Comprehensive Income when the net investment is disposed.

Current year profit reserve
A profit reserve has been created in selected entities within the tax consolidated group (refer note 18). The balance represents an appropriation of amounts from retained earnings for the payment of future dividends.

13. Earnings per share

	Consolidated	
	2013 Cents per share	2012 Cents per share
Basic earnings per share		
From continuing operations	(16.3)	(1.4)
From discontinued operations		(0.1)
Total basic earnings per share	(16.3)	(1.5)
Diluted earnings per share		
From continuing operations	(16.3)	(1.4)
From discontinued operations		(0.1)
Total diluted earnings per share	(16.3)	(1.5)

Basic earnings per share:
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2013 $'000	2012 $'000
Earnings used in the calculation of basic earnings per share	(39,392)	(3,549)
Loss for the year from discontinued operations		(249)
Earnings used in the calculation of basic earnings per share from continuing operations	(39,392)	(3,300)

	2013 No.'000	2012 No.'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	241,316	241,241

13. Earnings per share (cont'd)

Diluted earnings per share:

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	Consolidated	
	2013 $'000	2012 $'000
Earnings used in the calculation of diluted earnings per share	(39,392)	(3,549)
Loss for the year from discontinued operations		(249)
Earnings used in the calculation of diluted earnings per share from continuing operations	(39,392)	(3,300)

	2013 No.'000	2012 No.'000
Weighted average number of ordinary shares for the purposes of diluted earnings per share (a)	241,316	241,241

(a) The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2013 No.'000	2012 No.'000
Weighted average number of ordinary shares used in the calculation of basic EPS	241,316	241,241
Shares deemed to be issued for no consideration in respect of employee options and share rights		-
Weighted average number of ordinary shares used in the calculation of diluted EPS	241,316	241,241

There were no options on issue at 31 December 2013 (2012: 871,000). As all of the 871,000 options on issue at 31 December 2012 were out of the money and hence not dilutive, these were therefore excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share.

For the purpose of the dilutive earnings per share calculation it was estimated that a total of 2,070,647 of the outstanding 13,146,681 share rights on issue at 31 December 2013 would attain the performance hurdles. These 2,070,647 share rights were however considered anti-dilutive due to the impact of reducing the loss per share for the year ended 31 December 2013 and hence excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share.

For the purpose of the dilutive earnings per share calculation it was estimated that a total of 2,180,685 of the outstanding 8,857,048 share rights on issue at 31 December 2012 would attain the performance hurdles. These 2,180,865 share rights were however considered anti-dilutive due to the impact of reducing the loss per share for the year ended 31 December 2012 and hence excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share.

14. Commitments for expenditure

(a) Capital expenditure commitments

	Consolidated 2013 $'000	Consolidated 2012 $'000
Committed expenditures that have not been provided for in the financial statements:		
Property, plant and equipment		
Not longer than 1 year	72,941	47,647
Longer than 1 year and not longer than 5 years	5,476	31,450
Longer than 5 years		-
	78,417	79,097
Exploration expenditure		
Not longer than 1 year	16,536	32,524
Longer than 1 year and not longer than 5 years	6,593	21,316
Longer than 5 years		-
	23,129	53,840

These commitments represent Tap's share of joint operations' commitments. The commitments for exploration expenditure include the minimum expenditure requirements of various government regulatory bodies and joint operations that the Consolidated Entity is required to meet in order to retain its present permit interests. These obligations may be subject to renegotiation, may be farmed out or may be relinquished. No amounts have been included for permits where an application for renewal has been made to the designated authority and is pending.

The property, plant and equipment commitments represent Tap's share of the G1/48 Joint operation commitments in respect of the Manora Development.

As a result of cost overruns and schedule delays on the Manora oil development, coupled with additional drilling and unplanned work as part of the 2013 exploration program, the Company requires additional temporary liquidity ahead of the expected May 2014 draw-down of the Manora debt facility and anticipated commencement of production at Manora in August 2014. As at the date of this report Tap has drawn down the CBA $20m corporate facility and is working on a number of options to provide further liquidity, including additional financing and monetisation of the significant value retained in its non-core assets.

(b) Lease commitments

Non-cancellable operating lease commitments are disclosed in note 15 to the financial statements.

15. Leases

Operating leases

Leasing arrangements

The Consolidated Entity has non-cancellable operating leases for the following:

(i) Office premises – the premises lease expires on 31 January 2018

(ii) Office equipment – the copy management plan expires on 29 November 2015.

	Consolidated	
	2013 $'000	2012 $'000
Non-cancellable operating lease commitments		
Not longer than 1 year	599	566
Longer than 1 year and not longer than 5 years	2,003	2,546
Longer than 5 years		57
	2,602	3,169

16. Segment information

The Consolidated Entity derives its revenue from the sale of oil & gas.

Information reported to the Consolidated Entity's chief operating decision maker for the purposes of resource allocation and assessment of performance is focussed on the separate divisions managed by each individual member of senior management. Based on this, the Consolidated Entity's reportable segments under AASB 8 are as follows:

- Oil & gas production and development
- Oil & gas exploration
- Third party gas

The oil & gas production and development segment includes the assets moved from the exploration phase to the development phase. This segment also includes producing assets. There are no producing assets at 31 December 2013. The Manora field is expected to commence production in mid 2014. This segment is managed by the Engineering and Development Manager.

The oil & gas exploration segment includes all the areas of interest still in their exploration phase. This segment primarily incurs the exploration expenditure in the Consolidated Entity. The segment is managed by the Exploration Manager.

The Third party gas segment includes the purchases and sale of gas. The gas purchases are based on contracted quantities and sales are done via agreements with customers or in certain instances via market sales. The segment is managed by the Commercial Manager.

The following is an analysis of the Consolidated Entity's revenue and results from continuing operations by reportable operating segment for the periods under review:

	Revenue		Segment profit	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Oil & gas production and development		7,695	(1,308)	(4,335)
Oil & gas exploration		-	(49,850)	(12,250)
Third party gas	26,984	33,817	12,842	18,308
	26,984	41,512	(38,316)	1,723
Interest revenue			1,723	4,427
Finance costs			(480)	-
Central administration costs			(2,393)	(529)
Foreign exchange gain/(loss)			3,379	(911)
Other expenses			(3,478)	(4,622)
(Loss)/Profit before tax			(39,565)	88
Income tax benefit/(expense)			173	(3,388)
Loss for the year from continuing operations			(39,392)	(3,300)

16. Segment information (cont'd)

Segment revenues and results

Segment profit/(loss) represents the profit earned by each segment or loss made by each segment without the allocation of centralised administration expenses, recoveries of administration expenses recognised on a Consolidated Entity level, interest revenue, foreign exchange losses and income tax benefits.

The revenue represents gas sales (2012: liquid and gas sales) to external customers with no intersegment sales during the period. Included in revenues arising from direct sales of third party gas of $26.984 million (2012: $33.817 million) are revenues of $14.091 million (2012: $18.403 million) which arose from sales to the Consolidated Entity's largest third party gas customer.

Segment assets and liabilities

The following is an analysis of the Consolidated Entity's assets and liabilities by reportable operating segment for the periods under review:

	Assets		Liabilities	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Oil & gas production and development	108,104	57,131	59,477	19,704
Oil & gas exploration	91,636	90,361	6,856	7,248
Third party gas	9,407	7,593	7,700	8,252
Total segment assets and liabilities	209,147	155,085	74,033	35,204
Unallocated assets and liabilities	46,533	99,453	12,878	19,916
Consolidated total assets and liabilities	255,680	254,538	86,911	55,120

For the purpose of measuring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets and liabilities are allocated to reportable segments except for cash and cash equivalents and tax-related assets and liabilities.

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Oil & gas production and development	72	67	44,614	12,968
Oil & gas exploration		-	51,187	19,532
Third party gas		-		-
Other	117	181	13	130
	189	248	95,814	32,630

In addition to the depreciation and amortisation expense reported above, exploration expenditure write-downs/impairment losses of $47.147 million (2012: $8.657 million) were recognised in respect of exploration. The exploration asset write-downs/impairment losses were attributable to oil & gas exploration. There were no other material non-cash expenses attributable to individual segments.

16. Segment information (cont'd)

Geographical information

The Consolidated Entity operates in three principal geographical areas – Australia, Asia and Africa.

	Revenue from external customers		Non-current assets	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Australia	26,984	41,512	77,980	57,482
Asia	-	-	114,487	80,528
Africa	-	-	-	6,369
	26,984	41,512	192,467	144,379

17. Interests in joint operations

The Consolidated Entity has interests in numerous joint operations in Australia, Ghana and Thailand. The principal activity of the joint operations is oil & gas exploration and production.

Refer to the table below for a full list of the licences and permits held by the Consolidated Entity.

	Working Interest (%)	
	2013	2012
Exploration permits		
Western Australia		
TP/7	12.47	12.47
WA-8-L	20.00	20.00
WA-33-R	22.47	22.47
WA-34-R	12.00	12.00
WA-49-R	10.00	10.00
WA-290-P	10.00	10.00
WA-320-P(i)	9.78	33.33
WA-155-P(i)	13.55	-
WA-351-P	20.00	20.00
Ghana		
Offshore Accra Contract Area	17.50	17.50
Tasmania		
T/47P		61.54
Thailand		
G1/48	30.00	30.00
G3/48	30.00	30.00
Production & Pipeline Licences		
Western Australia		
TL/2	10.00	10.00
WA-22-L	15.00	15.00
WA-25-L	15.00	15.00
PL/14	10.00	10.00
TPL/3	10.00	10.00
TPL/4	10.00	10.00
TPL/7	10.00	10.00

(i) In November 2012 the Consolidated Entity entered into an agreement to exchange a 13.555% interest in WA-320-P for a corresponding 13.555% interest in the adjacent permit WA-155-P (Part II). During 2013 Tap has farmed out 10% in WA-320-P and 7% in WA-155-P (Part II) to JX Nippon Oil and Gas Exploration (Australia) Pty Ltd in exchange for a 5% carry on the Palmerston well (up to a total well cost of US$70m).

17. Interests in joint operations (cont'd)

Joint Operations' net assets

The Consolidated Entity's share of assets and liabilities in joint operations is detailed below. The amounts are included in the consolidated financial statements in their respective categories:

	Consolidated	
	2013 $'000	2012 $'000
Current assets		
Cash	2,904	4,160
Receivables	4,199	1,155
Inventories	3,297	822
Total current assets	10,400	6,137
Non-current assets		
Property, plant and equipment	102,076	56,834
Exploration and evaluation assets	87,189	87,237
Total non-current assets	189,265	144,071
Total assets	199,665	150,208
Current liabilities		
Trade and other payables	28,239	7,958
Provision for restoration	2,938	2,753
Total current liabilities	31,177	10,711
Non-current liabilities		
Provision for restoration	14,047	14,235
Total non-current liabilities	14,047	14,235
Total liabilities	45,224	24,946
Net assets	154,441	125,262
Revenues	-	7,695
Cost of sales	(145)	(7,592)
Other income/(expenses)[i]	838	(3,100)
Loss before income tax	693	(2,997)

(i) Included in the 2012 Other expenses is the restoration expenses relating to Woollybutt. Refer to note 2(g).

Capital commitments and contingent liabilities

The capital commitments arising from the Consolidated Entity's interests in joint operations are disclosed in note 14. No contingent liabilities have been identified beyond those set out in note 25.

18. Subsidiaries

Name of entity	Country of Incorporation	Ownership interest 2013 %	Ownership interest 2012 %
Parent entity			
Tap Oil Limited (i)	Australia		
Subsidiaries (ii)			
Tap West Pty Ltd	Australia	100	100
Tap (Shelfal) Pty Ltd	Australia	100	100
Tap (New Zealand) Pty Ltd	Australia	100	100
Tap Oil (Philippines) Pty Ltd	Australia	100	100
Tap (Ghana) Pty Ltd	Australia	100	100
Tap Oil (Ghana) Ltd (iii)	Ghana	100	100
Tap Energy (Rangkas) Pty Ltd	Australia	100	100
Tap Bass Pty Ltd (iv)	Australia	100	100
Tap Energy (Thailand) Pty Ltd	Australia	100	100
Tap (Zola) Pty Ltd (v)	Australia	100	100
Tap (WA Gas) Pty Ltd (v)	Australia	100	100
Tap Energy (Vietnam) Pty Ltd	Australia	100	100
Tap Energy (GOT) Limited (vi)	Thailand	100	100
Tap (Shale) Pty Ltd (vii)	Australia	100	100
Tap (Maitland) Pty Ltd (viii)	Australia	100	100
Tap (SCB) Pty Ltd (viii)	Australia	100	100
Tap (NCB) Pty Ltd (viii)	Australia	100	100
Tap (Alpha) Pty Ltd (ix)	Australia	100	100
Tap (Bonaparte) Pty Ltd (x)	Australia	100	-
Tap (Amulet) Pty Ltd (x)	Australia	100	-

(i) Tap Oil Limited is the head entity of the tax-consolidated group.

(ii) All subsidiaries incorporated in Australia are members of the tax-consolidated group. Tap Oil (Ghana) Ltd (which is incorporated in Ghana) and Tap Energy (GOT) Limited (which is incorporated in Thailand) are excluded from the tax-consolidated group.

(iii) Tap Oil (Ghana) Ltd is a wholly owned subsidiary of Tap (Ghana) Pty Ltd.

(iv) Tap Bass Pty Ltd is a wholly owned subsidiary of Tap (Shelfal) Pty Ltd.

(v) Tap (Zola) Pty Ltd is a wholly owned subsidiary of Tap (Shelfal) Pty Ltd.

(vi) Tap Energy (GOT) Limited is a wholly owned subsidiary of Tap Energy (Thailand) Pty Ltd. Tap Energy (GOT) Limited was incorporated on 17 September 2012 and was registered for dissolution on 2 July 2013.

(vii) Tap (Shale) Pty Ltd was incorporated on 28 June 2012.

(viii) Tap (Maitland) Pty Ltd, Tap (SCB) Pty Ltd and Tap (NCB) Pty Ltd were incorporated on 26 July 2012. All three are wholly owned subsidiaries of Tap (Shelfal) Pty Ltd.

(ix) Tap (Alpha) Pty Ltd was incorporated on 1 November 2012 and is a wholly owned subsidiary of Tap (Shelfal) Pty Ltd.

(x) Tap (Bonaparte) Pty Ltd and Tap (Amulet) Pty Ltd were incorporated on 24 April 2013 and are both wholly owned subsidiaries of Tap (Shelfal) Pty Ltd.

The principal activity of all the subsidiaries is oil and gas exploration and production, except for Tap (WA Gas) Pty Ltd where the principal activity is the purchase and subsequent sale of gas.

19. Notes to the cash flow statement

	Consolidated 2013 $'000	Consolidated 2012 $'000
(a) Reconciliation of cash and cash equivalents		
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and cash held in joint ventures.		
Cash and cash equivalents	43,514	96,378
	43,514	96,378
(b) Reconciliation of loss for the period to net cash flows from operating activities		
Loss for the year – continuing operations	(39,392)	(3,300)
Loss for the year – discontinuing operations	-	(249)
Depreciation and amortisation of non-current assets	189	248
Foreign exchange (gain)/loss	(3,743)	419
Equity settled share-based payments	864	633
Exploration impairment losses/write-downs	47,147	8,657
Non-cash interest expense	551	529
Finance costs paid	480	-
Rehabilitation/restoration expense adjustments	(198)	2,459
Other non-cash expenses	-	405
(Decrease)/increase in current tax balances	(8,144)	5,629
Increase/(decrease) in deferred tax balances	2,940	(4,025)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(2,777)	380
Current inventories	294	4,777
Other current assets	1,299	3,027
(Decrease)/increase in liabilities:		
Current payables	146	1,602
Employee provisions	(128)	201
Unearned revenue	(2,829)	(5,698)
Net cash (used in)/provided by operating activities	(3,301)	15,694

20. Financial instruments

(a) Capital risk management

The Consolidated Entity manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Consolidated Entity consists of equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Consolidated Entity's Board of Directors reviews the capital structure on an ongoing basis. As a part of this review the Board of Directors considers the cost of capital and the risks associated with each class of capital. As needed the Consolidated Entity will balance its overall capital structure through new share issues and share buy-backs; as well as the issue of debt.

The Consolidated Entity's overall strategy remains unchanged from 2012.

The Consolidated Entity has no external debt outstanding at 31 December 2013 (2012: nil).

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Categories of financial instruments

	Consolidated	
	2013 $'000	2012 $'000
Financial assets		
Cash and cash equivalents	43,514	96,378
Trade and other receivables	11,767	7,025
Financial liabilities		
Trade and other payables	53,858	20,029

(d) Financial risk management objectives

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Consolidated Entity's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

The Consolidated Entity's operations expose it primarily to the financial risks of changes in crude oil prices and foreign currency exchange rates. The Consolidated Entity may enter into a variety of derivative financial instruments to manage its exposure to crude oil price and foreign currency risk, including:

- forward oil price contracts; and
- forward foreign exchange contracts.

(e) Oil price risk management

The Consolidated Entity's oil and condensate production will likely be sold on spot crude oil markets and hence have exposure to crude oil price fluctuations. Oil price exposures are managed within approved policy parameters utilising forward oil price swap contracts and potentially other hedging instruments.

The Consolidated Entity currently has no oil and condensate production. Manora production in Thailand is forecasted to commence in August 2014. In respect of the forecasted Manora production it is the policy of the Consolidated Entity not to enter into forward oil price contracts for more than 50% of forecasted 1P oil and condensate production for the twelve month period commencing three months after the forecast period of peak production being reached; and for more than 25% of forecasted 1P oil and condensate production for the 12 months thereafter. In 2013 no forward oil price contracts were entered into (2012: nil).

20. Financial instruments (cont'd)

- **Oil Price sensitivity**

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the oil price. Sensitivities to such possible movements are used when reporting oil price risk internally to key management personnel to represent management's near term assessment of the possible change in oil prices. As there were no oil sales in 2013, the sensitivity analysis below includes prior year sales levels varied by a 10% and 20% increase in the Consolidated Entity's average Australian dollar oil price. A positive number indicates an increase in profit and equity where the oil price increases. For a 10% and 20% decrease in the Australian dollar oil price, there would be a comparable impact on the profit and equity, and the balances below would be negative.

	Consolidated Oil Price Impact	
	2013 $'000	2012 $'000
Profit or loss: 10%		770
Profit or loss: 20%		1,540

(f) Foreign currency risk management

The Consolidated Entity will sell all Manora oil and condensate production in US Dollars and hence has a future exposure to exchange rate fluctuations. The Consolidated Entity further pays its portion of the Asian, African and some Australian Joint Operations expenses in US Dollars. Exchange rate exposures are managed within approved policy parameters and may include products such as forward foreign exchange contracts and currency swap agreements.

It is the policy of the Consolidated Entity to constantly assess the foreign exchange exposure and to enter in forward contracts when deemed necessary. In 2013 the Consolidated Entity entered into forward foreign exchange contracts as economic hedges that did not qualify for hedge accounting (2012: nil). At the reporting date there were no open forward exchange contracts (2012: nil).

The Consolidated Entity's exposure to foreign currency balances is contained in the table below:

	Consolidated			
	Assets		Liabilities	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
US Dollars	36,573	26,387	40,911	6,671

Foreign currency sensitivity

The Consolidated Entity is mainly exposed to US dollars (USD).

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the Australian dollar against the US dollar. Management considers foreign exchange sensitivity when reporting foreign currency risk internally to key management personnel. Management continually monitors exchange rate forecasts and assesses the impact of possible changes in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% and 20% strengthening in foreign currency rates. A positive number indicates an increase in profit and equity where the Australian Dollar weakens against the US Dollar. For a 10% and 20% strengthening of the Australian Dollar against the US Dollar, there would be a comparable impact on the profit and equity, and the balances below would be negative.

	Consolidated US Dollar Impact	
	2013 $'000	2012 $'000
Profit or loss: 10%	(434)	1,972
Profit or loss: 20%	(868)	3,944

20. Financial instruments (cont'd)

(g) Interest rate risk management

The Consolidated Entity is subject to interest rate risk exposure through its cash and cash equivalents. The Consolidated Entity is currently not exposed to interest rate risk on borrowings as it has no borrowings.

Interest rate sensitivity

The sensitivity analysis below has been determined based on exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Consolidated Entity's profit or loss and equity for the year will be impacted as follows:

	Consolidated Interest Rate Impact	
	2013 $'000	2012 $'000
Profit or loss: 50 basis points increase	203	461
Profit or loss: 50 basis points decrease	(203)	(461)

(h) Credit risk management

Credit risk refers to the risk that a sales customer or counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity.

The Consolidated Entity has adopted a policy of only dealing with creditworthy customers and counterparties. Receivable balances are monitored on an ongoing basis with the result that the Consolidate Entity's exposure to bad debts is not significant.

The Consolidated Entity may at times have a high credit risk exposure to a single customer in relation to oil liftings or gas sales. The above-mentioned credit risk management procedures are followed in these instances. Of the total receivables balance of $11.767 million in the Consolidated Entity at 31 December 2013 (2012: $7.025 million), $5.129 million (2011: $2.223 million) relate to the two (2012: three) largest third party gas customers. Included in the gross third party gas receivables balance at 31 December 2013 is an amount of $1.763 million from Apex Gold Pty Ltd which has been fully provided as the company went into administration during the year.

The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Consolidated Entity's maximum exposure to credit risk.

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who built an appropriate framework for the management of the Consolidated Entity's short, medium and long term funding and liquidity management requirements. The Consolidated Entity manages liquidity risk by monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

The Consolidated Entity has secured a US$50 million Manora field development debt facility and a A$20 million corporate debt facility with the Commonwealth Bank of Australia. Both facilities were undrawn at 31 December 2013. Refer to note 26 on details of drawings subsequent to the year end.

20. Financial instruments (cont'd)

Maturity profile of financial instruments

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Consolidated Entity can be required to pay. The following table details the Consolidated Entity's exposure to liquidity risk:

	Consolidated					
	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Total $'000
2013						
Financial Assets						
Non-interest bearing		14,677	-	-	-	14,677
Variable interest rate	0.39%	37,381	-	-	-	37,381
Fixed interest Rate	3.55%	-	3,000	223	-	3,223
		52,058	3,000	223	-	55,281
Financial Liabilities						
Non-interest bearing		53,858	-	-	3,297	57,155
2012						
Financial Assets						
Non-interest bearing		11,191	-	-	-	11,191
Variable interest rate	0.71%	26,903	-	-	-	26,903
Fixed interest Rate	4.57%	37,196	16,142	11,971	-	65,309
		75,290	16,142	11,971	-	103,403
Financial Liabilities						
Non-interest bearing		20,029	-	-	-	20,029

(j) Fair value of financial instruments

Except as detailed in the following table, the directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The following table details the fair value of financial assets and financial liabilities, which represents a reasonable approximation of the carrying value of the financial assets and liabilities:

	Consolidated			
	Carrying amount		Fair value	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Financial assets				
Cash and cash equivalents	43,514	96,378	43,514	96,378
Trade and other receivables	11,767	7,025	11,767	7,025
	55,281	103,403	55,281	103,403
Financial liabilities				
Trade and other payables	53,858	20,029	53,858	20,029
	53,858	20,029	53,858	20,029

21. Share-based payments

Tap currently has the Tap Share Rights Plan as its share-based payment scheme. This plan was first approved by shareholders on 30 April 2010 and again on 22 May 2013.

Performance Rights

Long-term incentive awards are made in the form of rights to shares which will have a vesting timeframe of three years. The number of rights that vest will be based on the Consolidated Entity's performance over the same three years. The long-term incentive awards are made by way of the grant of Performance Rights as soon as practicable after each year end. Grants of Performance Rights will be made each year with effect from 1 January.

Vesting of up to 50% of the Performance Rights depends upon the Consolidated Entity's Absolute Total Shareholder Return (ATSR) over three years and up to 50% depends upon Relative Total Shareholder Return (RTSR). The ATSR and RTSR performance hurdles required to achieve increasing levels of vesting will be set by the Board to apply from 1 January of the relevant year. For the Performance Rights granted in 2013 and 2012 as long-term incentive awards, the Board has set the following ATSR and RTSR performance hurdles:

Assess 50% of Rights Against ATSR	
Average Annual ATSR over 3 years	% of Rights which will vest after 3 years
<5%	0%
=5%	12.5%
=15%	25%
≥25%	50%

Assess 50% of Rights Against RTSR	
Relative TSR (Relative Percentile Ranking of TSR against peers over 3 years)	% of Rights which will vest after 3 years
<P50%	0%
=P50%	12.5%
=P62.5	25%
≥P75%	50%

Vesting characteristics of the Performance Rights are as follows:

1. Performance measurement period is three years, which is consistent with the typical time cycle for an exploration program and the Consolidated Entity's strategic emphasis on exploration.
2. Performance is based on differences in ATSR and RTSR as measured from the end of one preceding period to the end of the 3-year assessment period. The ATSR and RTSR use the 30-day VWAP of the Consolidated Entity's shares preceding and including the last day of each measurement period.
3. RTSR is assessed against a peer group of like companies determined by the Board before the start of each assessment period or as soon as practical thereafter. In 2013, the Consolidated Entity used a group of approximately 30 (2012: 30) petroleum industry companies which are listed on the ASX and whose market capitalisation ranged from approximately $12 million to $1,800 million.

Retention Rights

Retention Rights are issued to staff pursuant to the terms of the Share Rights Plan upon or as soon as practicable after commencement of employment. Such rights would vest if the employee remains employed by the Consolidated Entity for three years. Retention Rights are valued at 100% of the 30-day volume-weighted average share price (VWAP) of the Consolidated Entity's shares preceding the date of grant.

Special Awards

The Board retains the discretion to make Special Awards each year. Special Awards can be in the form of Performance Rights and/or Retention Rights. Special Awards are granted to individual staff or Group Executives who are judged by the Board to have made an extraordinary contribution to the current or future performance of the Consolidated Entity or who are expected to play a critical role in one of the Consolidated Entity's activities that could take 2-3 years to complete and where retention of the individual's services is seen as an important determinant of the success to that activity.

21. Share-based payments (cont'd)

Grant date	Number	Expiry date	Exercise price $	Fair value at grant date $
2013				
Performance Rights				
16/01/2013	3,619,430	1/01/2020	-	0.12
16/01/2013	288,197	1/01/2020	-	0.11
24/05/2013	5,000,000	24/05/2020	-	0.00
Retention Rights				
16/01/2013	198,729	13/12/2019	-	0.63
16/07/2013	31,289	4/02/2020	-	0.65
16/07/2013	36,564	15/07/2020	-	0.49
22/07/2013	446,959	27/06/2020	-	0.49
6/09/2013	30,840	29/07/2020	-	0.53
20/09/2013	19,877	19/08/2020	-	0.54
20/09/2013	22,830	1/09/2020	-	0.51
20/09/2013	14,715	2/09/2020	-	0.53
23/10/2013	50,000	14/10/2020	-	0.57
2012				
Performance Rights				
1/03/2012	246,033	1/10/2018	-	0.19
1/03/2012	246,033	1/10/2018	-	0.13
7/03/2012	3,524,254	1/01/2019	-	0.10
Retention Rights				
7/03/2012	194,445	1/01/2019	-	0.84
1/06/2012	12,950	28/05/2019	-	0.70
5/10/2012	25,353	17/09/2019	-	0.71

The volume weighted average fair value of the performance rights granted in 2013 is $0.05 (2012: $0.10). Performance rights issued are valued using a Monte Carlo Simulation model. The Monte Carlo Simulation model is a computer based technique where a large sample of iterations is performed, based on random numbers and their associated probabilities determined by a specified probability distribution function. The Monte Carlo Simulation model is used to determine the probability of the absolute return performance hurdles and the relative return performance hurdles being achieved.

The performance rights have no exercise price and vesting occurs after three years. Expected volatility for the ATSR performance hurdle is based on the volatility of historical 3-year performance period returns using 30-day VWAP share price data. Expected volatility for the RTSR performance hurdle is based on the volatility of historical 3-year performance period returns using 30-day VWAP share price data of Tap Oil Limited shares compared to its peer group.

21. Share-based payments (cont'd)

The volume weighted average fair value of the retention rights granted in 2013 is $0.50 (2012: $0.82). Retention rights are valued using the Black Scholes model with the life of the rights assumed to be three years, which is the same as the vesting period of the retention rights (based on employees remaining in the Consolidated Entity's employment for three years as the condition for rights vesting). The retention rights have no exercise price and no other performance conditions, except that the employees need to be in the Consolidated Entity's employment after a period of three years, resulting in the fair value of the retention rights being equal to the 30-day VWAP share price at the date of grant (the volatility and risk-free rate included as inputs to the Black Scholes model will be irrelevant). Expected volatility is based on the historical 30-day VWAP share price volatility over a 3-year performance period and the risk free interest rate based on the Reserve Bank of Australia's 3-year government bond rate, both as quoted on the date of grant of the retention rights.

Inputs into the model							
Rights series (by expiry date)	Grant date share price	Vesting probability	Exercise price	Expected volatility	Vesting term of rights	Dividend yield	Risk-free interest rate
2013							
Performance Rights							
1/01/2020	$0.66	19%	$0.00	9%	3yr		N/A
1/01/2020	$0.66	17%	$0.00	9%	2yr		N/A
24/05/2020	$0.53	19%	$0.00	10%	3yr		N/A
Retention Rights							
13/12/2019	$0.66	N/A	$0.00	38%	1yr		2.75%
4/02/2020	$0.53	N/A	$0.00	38%	3yr		2.69%
15/07/2020	$0.53	N/A	$0.00	38%	3yr		2.69%
27/06/2020	$0.54	N/A	$0.00	38%	1yr		2.54%
29/07/2020	$0.50	N/A	$0.00	38%	3yr		2.90%
19/08/2020	$0.54	N/A	$0.00	38%	3yr		2.90%
1/09/2020	$0.54	N/A	$0.00	38%	3yr		2.90%
2/09/2020	$0.54	N/A	$0.00	38%	3yr		2.90%
14/10/2020	$0.56	N/A	$0.00	38%	3yr		2.95%

Inputs into the model							
Rights series (by expiry date)	Grant date share price	Vesting probability	Exercise price	Expected volatility	Vesting term of rights	Dividend yield	Risk-free interest rate
2012							
Performance Rights							
1/10/2018	$0.88	31%	$0.00	14%	1yr		N/A
1/10/2018	$0.88	21%	$0.00	16%	2yr		N/A
1/01/2019	$0.77	11%	$0.00	16%	3yr		N/A
Retention Rights							
1/01/2019	$0.84	N/A	$0.00	44%	3yr		3.66%
28/05/2019	$0.70	N/A	$0.00	44%	3yr		2.33%
17/09/2019	$0.71	N/A	$0.00	44%	3yr		2.49%

21. Share-based payments (cont'd)

The following reconciles the outstanding share rights granted at the beginning and end of the financial year:

	2013		2012	
	Number of rights	Weighted average exercise price $	Number of rights	Weighted average exercise price $
Balance at beginning of the financial year	8,857,048	-	5,728,624	-
Granted during the financial year	9,759,430	-	4,249,069	-
Forfeited during the financial year	(2,313,136)	-	(594,343)	-
Vested during the financial year (i)	(1,031,664)	-	(234,737)	-
Lapsed during the financial year	(2,125,003)	-	(291,565)	-
Balance at end of the financial year (ii)	13,146,675	-	8,857,048	-

(i) Vested during the financial year

A total of 113,265 performance rights vested during the 2013 financial year (2012: 234,737). A total of 918,399 retention rights vested during the 2013 financial year (2012: nil).

(ii) Balance at end of the financial year

The performance rights and retention rights outstanding at the end of the financial year had no exercise prices and had a weighted average remaining contractual life of 2,047 days (2012: 1,954 days).

The following share-based payment schemes were applicable for the year ended 31 December 2009 (these share-based payment schemes were replaced by the Tap Oil Limited Share Rights Plan from 30 April 2010) :

(a) Tap Employee Incentive Option Plan;

(b) Tap Executive Director Option Plan;

(c) Tap Oil Management Incentive Option Plan; and

(d) Tap Employee and Director Share Plan.

No options were issued during the 2013 and 2012 financial years. No shares were purchased in terms of the Tap Employee and Director Share Plan during the 2013 financial year (2012: nil).

The following reconciles the outstanding share options granted at the beginning and end of the financial year:

	2013		2012	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the financial year	871,000	1.53	1,732,237	1.30
Granted during the financial year	-	-	-	-
Forfeited during the financial year	-	-	(11,356)	0.78
Exercised during the financial year (i)	-	-	-	-
Expired during the financial year	(871,000)	1.53	(849,881)	1.07
Balance at end of the financial year (ii)	-	-	871,000	1.53
Exercisable at end of the financial year		-	871,000	1.53

(i) Exercised during the financial year

There were no options exercised during the 2013 financial year (2012: nil).

22. Key management personnel compensation

After consideration of the nature of each employee's role within the Consolidated Entity, in the opinion of the Board the Consolidated Entity had the following key management personnel during the financial year:

Non-Executive Directors

- D W Bailey (Chairman)
- M J Sandy
- D A Schwebel

Senior Executives

- T J Hayden (Managing Director/CEO)
- B M Ulmer (Engineering and Development Manager)
- D J Rich (Chief Financial Officer)
- M J Williams (General Counsel/Company Secretary 1 January – 1 February 2013 & 5 August 2013 – 31 December 2013)
- S F Blenkinsop (General Counsel/Company Secretary 29 January 2013 – 30 August 2013)
- T M Schmedje (Exploration Manager)
- A C Sudlow (Commercial Manager)
- A N Patterson (Business Development Manager resigned 29 March 2013)

The aggregate compensation of the key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2013 **$**	**2012** **$**
Short-term employee benefits	3,123,526	3,576,393
Post-employment benefits	176,719	270,181
Other long-term benefits		-
Termination benefits		-
Share-based payments	636,492	691,929
	3,936,737	4,538,503

23. Related party transactions

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 18 to the financial statements.

Equity interests in joint operations

Details of interests in joint operations are disclosed in note 17 to the financial statements.

(b) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 22 to the financial statements and in the remuneration report disclosed in the Directors report.

(c) Key management personnel equity holdings

Fully paid ordinary shares of Tap Oil Limited

2013	Balance at 1/1/13	Received on vesting of rights	Net other change (i)	Balance held directly & indirectly at 31/12/13	Balance held nominally (indirectly) (ii)
	No.	No.	No.	No.	No.
Non-executive Directors					
D W Bailey	145,650	-	-	145,650	-
M J Sandy	98,472	-	-	98,472	-
D A Schwebel	100,000	-	-	100,000	-
Executives					
T J Hayden	72,275	496,625	-	568,900	-
M J Williams	35,398	-	-	35,398	-
B M Ulmer	34,654	30,000	(30,000)	34,654	-
T M Schmedje	-	196,378	(37,395)	158,983	-
A C Sudlow	35,398	-	40,000	75,398	-
D J Rich	91,469	152,500	(91,000)	152,969	-
A N Patterson	-	-	-	-	-
S F Blenkinsop	-	-	-	-	-
	613,316	875,503	(118,395)	1,370,424	-

2012	Balance at 1/1/12	Received on vesting of rights	Received on exercise of options	Net other change (i)	Balance held directly & indirectly at 31/12/12	Balance held nominally (indirectly) (ii)
	No.	No.	No.	No.	No.	No.
Non-executive Directors						
D W Bailey	145,650	-	-	-	145,650	-
M J Sandy	89,472	-	-	9,000	98,472	-
D A Schwebel	-	-	-	100,000	100,000	-
Executives						
T J Hayden	72,275	-	-	-	72,275	-
M J Williams	-	35,398	-	-	35,398	-
B M Ulmer	46,178	35,398	-	(46,922)	34,654	-
T M Schmedje	-	35,398	-	(35,398)	-	-
A C Sudlow	-	35,398	-	-	35,398	-
D J Rich	26,071	35,398	300,000	(270,000)	91,469	-
	379,646	176,990	300,000	(243,320)	613,316	-

(i) Represents shares sold and purchased on the market.

(ii) Nominally means 'in name only'. Disclosure of equity holdings held nominally means disclosure of the equity instruments held by the key management person (or their related entity) in his or her name for the benefit of someone outside their related entity group.

23. Related party transactions (cont'd)

Rights in ordinary shares of Tap Oil Limited

2013	Balance at 1/1/13	Granted as remuneration	Vested during the year	Lapsed during the year	Balance at 31/12/13
	No.	No.	No.	No.	No.
Non-executive Directors					
D W Bailey	-	-	-	-	
M J Sandy	-	-	-	-	
D A Schwebel	-	-	-	-	
Executives					
T J Hayden	2,197,265	6,102,735	(496,625)	(792,858)	7,010,517
M J Williams	489,151	279,625	-	(79,366)	689,410
B M Ulmer	1,200,464	389,127	(30,000)	(344,757)	1,214,834
T M Schmedje	774,069	474,956	(196,378)	(79,368)	973,281
A C Sudlow	306,497	167,252	-	(79,366)	394,383
D J Rich	1,192,440	321,640	(152,500)	(272,645)	1,088,935
S F Blenkinsop	-	-	-	-	-
A N Patterson	194,445	277,169	-	(471,614)	-
	6,354,331	8,012,504	(875,503)	(2,119,972)	11,371,360

2012	Balance at 1/1/12	Granted as remuneration	Vested during the year	Lapsed during the year	Balance at 31/12/12
	No.	No.	No.	No.	No.
Non-executive Directors					
D W Bailey	-	-	-	-	
M J Sandy	-	-	-	-	
D A Schwebel	-	-	-	-	
Executives					
T J Hayden	1,289,483	907,782	-	-	2,197,265
M J Williams	142,027	426,490	(35,398)	(43,968)	489,151
B M Ulmer	834,867	444,963	(35,398)	(43,968)	1,200,464
T M Schmedje	497,285	356,150	(35,398)	(43,968)	774,069
A C Sudlow	106,566	279,297	(35,398)	(43,968)	306,497
D J Rich	760,608	511,198	(35,398)	(43,968)	1,192,440
A N Patterson	-	194,445	-	-	194,445
	3,630,836	3,120,325	(176,990)	(219,840)	6,354,331

All performance and retention rights issued to key management personnel during the financial year were made in accordance with the provisions of the Tap Share Rights Plan referred to in note 21.

A total of 113,265 performance rights vested during the 2013 financial year (2012: 176,990), while 1,925,525 performance rights lapsed during the 2013 financial year (2012: 219,840). A total of 762,238 retention rights vested during the 2013 financial year (2012: nil), while 194,445 retention rights lapsed during the 2013 financial year (2012: nil).

Further details of the share-based payment schemes are contained in note 21 to the financial statements.

(d) Transactions with other related parties

Other related parties include the parent entity, joint operations in which the entity is a venturer and subsidiaries.

Amounts receivable from and payable to parties within the Tap Oil Limited Group eliminate on consolidation. The outstanding balances related to joint operations are disclosed in note 17 to the financial statements. All loans advanced to and payable to related parties are unsecured, have no fixed repayment dates and are interest-free.

Included in Trade Payables at 31 December 2013 are cash calls in respect of G1/48 amounting to $15.347 million that have been paid subsequent to year end. The Consolidated Entity has no other outstanding commitments at 31 December 2013 with related parties (2012: nil).

24. Remuneration of auditors

	Consolidated 2013 $	Consolidated 2012 $
Audit services		
Auditor of the parent entity – Deloitte Touche Tohmatsu		
- Audit and review of financial reports	110,250	110,250
Overseas Deloitte Touche Tohmatsu firms		
- Audit of financial report	60,402	13,408
	170,652	123,658
Other auditors		
- Audit of financial report	24,309	13,070
	194,961	136,728
Other services		
Other auditors		
- Taxation services	7,977	3,425
	7,977	3,425

25. Contingencies

Success payments in respect of the Manora oil field development

As part of the consideration for acquiring the G1/48 permit in 2010, Tap Energy (Thailand) Pty Ltd (a subsidiary of Tap Oil Limited), is liable to make a 2P Reserves Deferred Payment up to a maximum of US$29.85 million. This amount is payable up to four years after first production and is conditional on the Manora 2P Reserves (plus recovered oil) remaining greater than 10MMbbls. The payment is calculated pro-rata based on 2P reserves between 10mmbbls and 35mmbbls.

Contractual Disputes - Woollybutt Joint Venture

Production ceased at Woollybutt on 16 May 2012. FVSN, the FPSO contractor for the Woollybutt field, has commenced arbitration in relation to certain claims arising out of the FPSO Contract:

1. Contract rates

As advised to the ASX on 5 April 2013, Tap has received notice from the International Chamber of Commerce Secretariat (ICC) of FVSN's request for arbitration of a claim by FVSN. The claim relates to disputed FPSO rates payable under the Contract for works and services performed by FVSN. Tap has filed its answer and counterclaim. Tap denies any liability in respect of the claim made by FVSN in the arbitration and, together with its joint venturers, is defending the claim. Tap considers the probability of any material financial outflow from the Consolidated Entity is unlikely.

2. Well Product

On 15 April 2013 Tap received notice from the ICC of FVSN's request for arbitration of a claim based on an assertion by FVSN the well product did not accord with the specifications set out in the contract. Tap has filed its answer and counterclaim. Tap denies any liability in respect of the claim made by FVSN in the arbitration and, together with its joint venturers, is defending the claim. Tap considers the probability of any material financial outflow from the Consolidated Entity is unlikely.

26. Subsequent Events

Since the end of the financial year the Directors are not aware of any other matter or circumstance not otherwise dealt with within the financial report that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years, except for:

a) The Operator of the Manora joint venture, Mubadala Petroleum, has advised that Phase 1 of the Offshore Installation program is now complete. This includes the loadout and subsequent installation of the Manora platform jacket, subsea lines and Pipeline End Manifold (PLEM). The work was completed on schedule with no HSE incidents. All offshore installation vessels, installation equipment and personnel have now been demobilised.

   Tap considers that successful completion of the Phase 1 program significantly reduces the offshore installation risk which is a typical area for delay in projects of this nature.

   Refer to section 4.1.2 in the Directors' Report for more information on Manora.

b) Following an evaluation of the on-block data and remaining prospectivity, Tap has decided to withdraw from the Offshore Accra Contract Area and not proceed to the First Extension Period. Tap will have no further commitments for this acreage; and

c) Since the end of the financial year to the date of this report, Tap has drawn $20 million under its facilities with CBA and has cash on hand of $24.5 million.

27. Parent entity disclosures

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 1 for a summary of the significant accounting policies relating to the Consolidated Entity.

	Parent Entity	
	2013 $'000	2012 $'000
Financial Position of parent entity at year end		
Assets		
Current assets	167,727	208,240
Non-current assets	31,276	20,214
Total assets	199,003	228,454
Liabilities		
Current liabilities	185	55,962
Non-current liabilities	134	154
Total liabilities	319	56,116
Net assets	198,684	172,338
Total equity of the parent entity comprising of:		
Issued capital	157,729	157,729
Retained earnings	8,768	8,768
Share option reserve	4,491	4,491
Share rights reserve	2,091	1,350
Profit reserve	25,605	-
Total equity	198,684	172,338
Results of the parent entity		
Profit for the year	25,605	31,249
Total comprehensive income	25,605	31,249

27. Parent entity disclosures (cont'd)

Guarantees entered into by the parent entity

Parent company guarantees are extended on a case by case basis. Tap Oil Ltd has provided a number of performance guarantees for subsidiaries under the terms of joint operations operating agreements and agreements with Governments pertaining to oil & gas exploration.

Tap Oil Limited has a parent company guarantee in place which guarantees the obligations of Tap Oil (Ghana) Ltd under the Petroleum Agreement for the Offshore Accra Contract Area, Ghana.

Tap Oil Limited has parent company guarantees in place which guarantees the obligations of Tap Energy (Thailand) Pty Ltd under the Petroleum Concessions for the G1/48 and G3/48 Permit Areas, Thailand.

Tap Oil Limited has parent company guarantees in place which guarantees the obligations of Tap (WA Gas) Pty Ltd under gas sale agreements.

Tap has secured a US$50 million Manora field development debt facility and a A$20 million corporate debt facility with the Commonwealth Bank of Australia. Both facilities are currently undrawn. Tap Oil Limited has provided parent company guarantees to the bank as part of the security.

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2013 other than those disclosed in note 25.

Lease commitments of the Parent entity

Operating leases

Leasing arrangements

The Parent Entity has non-cancellable operating leases for office premises (the premises lease expires on 31 January 2018) and Office equipment (the copy management plan expires on 29 November 2015).

	Parent Entity	
	2013 $'000	2012 $'000
Non-cancellable operating lease commitments		
Not longer than 1 year	599	566
Longer than 1 year and not longer than 5 years	2,003	2,546
Longer than 5 years		57
	2,602	3,169

28. General information

Tap Oil Limited is a listed public company, incorporated in Australia.

Tap Oil Limited's registered office and its principal place of business are as follows:

Registered office	**Principal place of business**
Level 1, 47 Colin Street	Level 1, 47 Colin Street
West Perth WA 6005	West Perth WA 6005
Ph: +61 8 9485 1000	Ph: +61 8 9485 1000

EMBASSY OF THE REPUBLIC OF THE UNION OF MYANMAR
22 Arkana Street, Yarralumla, Canberra, A.C.T. 2600
Tel: (02) 6273 3811 Fax: (02) 6273 3181
Email: mecanberra@bigpond.com

No. 296/45

I, the undersigned, **TIN YU, Minister-Counsellor** of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, do hereby certify that the signature **" TRESA VAN ELBURG "** and the seal on the annexed document are respectively the signature of **T Van Elburg**, Foreign Affairs Officer and the seal of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia.

IN WITNESS whereof I have hereto set my hand and affixed the seal of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, this twenty second day of April Two Thousand and Thirteen.

TIN YU

MINISTER-COUNSELLOR

NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME I IAN BARRIE MURIE, Notary Public, duly authorised admitted and sworn, residing and practising in Perth in the State of Western Australia in the Commonwealth of Australia **CERTIFY AND ATTEST** that the copy document attached to this certificate is a true copy of the original document of which it purports to be a copy which, after careful examination, I attest.

I, **IAN BARRIE MURIE** have hereunto subscribed my name and affixed my Seal of Office this 17 day of April 2013

IAN BARRIE MURIE
Notary Public
16 Emerald Terrace
West Perth, Western Australia

I, Sherene Till
solicitor certify that this is a true and correct copy of an original document.

Signature: [signature]

Date: 16/4/13

Form **240**

TAP OIL N.L.
Level 1
41-47 Colin Street
WEST PERTH WA 6005

Remove this top section if desired before framing

Certificate of Registration on Change of Type

This is a certify that

TAP OIL N.L.

Australian Company Number 068 572 341

on the thirtieth day of November 2000 converted to

a company limited by shares

and that the name of the company is now

TAP OIL LIMITED

Australian Company Number 068 572 341

The company is a public company.

The company is registered under the Corporations Law of Western Australia and the date of commencement of registration is the fourteenth day of March, 1995.

17/4/2013

IAN BARRIE MURIE
16 Emerald Terrace
West Perth Western Australia
General Public Notary

Issued by the
Australian Securities and Investments Commission
on this thirtieth day of November, 2000.

[signature]

David Knott
Chairman

CERTIFICATE

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I, Tresa Van Elburg, an officer of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia, having been duly authorised by the Secretary of the Department of Foreign Affairs and Trade, **DO HEREBY CERTIFY** that the signature/seal/stamp "Ian Barrie Murie" appearing on the document on the reverse hereto is the true signature/seal/stamp of Ian Barrie Murie. In so certifying, neither I nor the Department of Foreign Affairs and Trade endorse, verify or make any statement as to the accuracy, truth, legality or otherwise of the contents of the document or the purposes for which the document may be used. Neither I nor the Department of Foreign Affairs and Trade accept liability for any loss, damage or injury arising out of the use of, or reliance on, the document or its contents. I provide no undertaking that I have read the contents of the document.

GIVEN under my Hand and the seal of the Department of Foreign Affairs and Trade this Eighteenth day of April, Two Thousand and Thirteen.

For the Secretary
Department of Foreign Affairs and Trade

EMBASSY OF THE REPUBLIC OF THE UNION OF MYANMAR
22 Arkana Street, Yarralumla, Canberra, A.C.T. 2600
Tel: (02) 6273 3811 Fax: (02) 6273 3181
Email: mecanberra@bigpond.com

No. 297 /45

I, the undersigned, **TIN YU, Minister-Counsellor** of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, do hereby certify that the signature " **TRESA VAN ELBURG** " and the seal on the annexed document are respectively the signature of **T Van Elburg**, Foreign Affairs Officer and the seal of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia.

IN WITNESS whereof I have hereto set my hand and affixed the seal of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, this twenty second day of April Two Thousand and Thirteen.

TIN YU

MINISTER-COUNSELLOR

NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME I IAN BARRIE MURIE, Notary Public, duly authorised admitted and sworn, residing and practising in Perth in the State of Western Australia in the Commonwealth of Australia **CERTIFY AND ATTEST** that the copy document attached to this certificate is a true copy of the original document of which it purports to be a copy which, after careful examination, I attest.

I, **IAN BARRIE MURIE** have hereunto subscribed my name and affixed my Seal of Office this 17 day of April 2013

IAN BARRIE MURIE
Notary Public
16 Emerald Terrace
West Perth, Western Australia

I, Sherene Till
solicitor certify that this is a true and correct copy of an original document.

Signature: [signature]

Date: 16/4/13

SHELFORM (AUST)
ATTN: C HAZELL
P O BOX 221
WANNEROO WA 6065

Form **204**

remove this top section if desired before framing

AUSTRALIAN SECURITIES COMMISSION

Certificate of Registration of a Company

Corporations Law Sub-section 121(1)

This is to certify that

TAP OIL N.L.

Australian Company Number 068 572 341

is a registered company under Division 1 of Part 2.2 of the Corporations Law of Western Australia and because of its registration it is an incorporated company.

The company **is a no liability company.**

The company is a **public** company.

The day of commencement of registration is
the fourteenth day of March 1995.

7/4/2013

IAN BARRIE MURIE
16 Emerald Terrace
West Perth Western Australia
General Public Notary

AUSTRALIAN SECURITIES COMMISSION COMMON SEAL

Given under the seal of the Australian Securities Commission on this fourteenth day of March, 1995.

Alan Cameron
Chairman

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I, Tresa Van Elburg, an officer of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia, having been duly authorised by the Secretary of the Department of Foreign Affairs and Trade, **DO HEREBY CERTIFY** that the signature/seal/stamp "Ian Barrie Murie" appearing on the document on the reverse hereto is the true signature/seal/stamp of Ian Barrie Murie. In so certifying, neither I nor the Department of Foreign Affairs and Trade endorse, verify or make any statement as to the accuracy, truth, legality or otherwise of the contents of the document or the purposes for which the document may be used. Neither I nor the Department of Foreign Affairs and Trade accept liability for any loss, damage or injury arising out of the use of, or reliance on, the document or its contents. I provi
no undertaking that I have read the contents of the document.

GIVEN under my Hand and the seal of the Department of Foreign Affairs and Tra
this Eighteenth day of April, Two Thousand and Thirteen.

For the Secretary
Department of Foreign Affairs and Tr

Notes to the finan statements

for the financial year ended 31 Decembe 2

NOTE	CONTENTS

3. (LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

	Consolidated 2012 $'000	Consolidated 2011 $'000
(a) Revenue		
Sales of oil and gas [i]	41,512	38,001
Other revenue – tolling fees [i]	-	1,382
	41,512	39,383
Interest received	4,427	3,303
	45,939	42,686

(i) The 2012 and 2011 financial years exclude Tap (Harriet) Pty Ltd, which has been disclosed as a discontinued operation – refer to note 8.

	Consolidated 2012 $'000	Consolidated 2011 $'000
(b) Cost of sales		
Depreciation of capitalised development costs [i]	67	3,153
Other production costs [i]	21,411	16,774
	21,478	19,927

(i) The 2012 and 2011 financial years exclude Tap (Harriet) Pty Ltd, which has been disclosed as a discontinued operation – refer to note 8.

	Consolidated 2012 $'000	Consolidated 2011 $'000
(c) Other Income		
Gain on sale of exploration and evaluation assets [i]	301	11,569

(i) 2011: during the 2011 financial year Tap sold 25% of its working interest in WA-351-P, offshore Carnarvon Basin, to BHP Billiton Petroleum (North West Shelf) Pty Ltd for a cash consideration of US$30.154 million. This transaction occurred after Tap purchased Roc Oil Company Ltd's 20% working interest for US$15.75 million earlier in 2011. In addition to the cash consideration, BHP Billiton paid Tap's share of costs on the Tallaganda-1 well up to US$10 million.

	Consolidated 2012 $'000	Consolidated 2011 $'000
(d) Administration expenses		
Loss before income tax has been arrived at after charging the following:		
Employee benefit expenses:		
Post employment benefits:		
Superannuation contributions	682	836
Share-based payments:		
Equity settled share-based payments [i]	633	645
Other	8,083	8,569
	9,398	10,050
Depreciation of office fixed assets	181	211
Operating lease rental payments	733	694
Other expenses, net of recoveries [ii]	(234)	114
	10,078	11,069

(i) Of the total share-based payment expense for the 2012 financial year, $633,000 (2011: $634,000) relates to options, retention rights and performance rights issued and none of the balance related to prepaid shares allocated to employees (2011: $11,000). Refer to note 22 for the vesting terms of the options, performance rights and the prepaid shares.

(ii) The other expenses are shown net of recoveries. The recoveries represent costs, including time spent by the Consolidated Entity's employees on exploration and production interests, which get recharged to the applicable exploration and production interests.

	Consolidated	
	2012 $'000	2011 $'000

3. (LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (CONT'D)

(e) Finance costs

	2012 $'000	2011 $'000
Notional interest from unwinding discount on restoration provisions	529	315

(f) Impairment losses/write-downs

	2012 $'000	2011 $'000
Exploration impairment losses/write-downs (i)	8,657	3,423
Property, plant and equipment impairment losses (ii)	-	9,809

(i) Exploration impairment losses are provided when the carrying amount of the capitalised exploration expenditure exceeds the recoverable amount of the said exploration expenditure. Exploration expenditure is written off and any related impairment losses released when permits are relinquished or disposed. The following are the material items included in the exploration impairment losses/write-downs for the year ended 31 December 2012 (there were no material items for the year ended 31 December 2011):

Permit	Country/ Company	2012 $'000	Description
G1/48	Thailand	6,223	Manora-5 and Kinnaree-1 exploration wells unsuccessful
G3/48	Thailand	2,157	Pathum-1 exploration well unsuccessful

The exploration impairment losses/write-downs are included in the oil & gas exploration segment.

(ii) No property, plant & equipment impairment loss was recognised in 2012.

An impairment loss of $9.809 million was recognised on the Woollybutt development asset for the year ended 31 December 2011, mainly due to an increase in the estimates for abandonment and other costs involved in the end of field life for this asset at 31 December 2011. The increase in the abandonment cost estimates lead to an increase in the restoration liability, resulting in an increase in the abandonment asset.

The property, plant and equipment impairment losses are included in the oil & gas production and development segment.

	Consolidated	
	2012 $'000	2011 $'000
(g) Other expenses		
Foreign exchange losses	911	1,612
Rehabilitation/restoration expenses (i)	2,459	-
Other	2,040	1,762
	5,410	3,374

(i) The restoration adjustment relating to the Woollybutt restoration liability is captured directly in the Statement of profit or loss and other comprehensive income. The Woollybutt asset has reached the end of its useful life and has been fully impaired.

(h) Depreciation

Depreciation charges are included above in cost of sales (b) and administration expenses (d). Total depreciation for the Consolidated Entity is $0.248 million (2011: $3.364 million).

4. INCOME TAXES

(a) Income tax recognised in profit or loss

	Consolidated 2012 $'000	Consolidated 2011 $'000 Restated
Tax expense comprises:		
Current tax expense	6,862	1,504
Adjustments recognised in the current year in relation to the current tax of prior years	439	(694)
Deferred tax income relating to the origination and reversal of temporary differences	(4,365)	4,610
Deferred PRRT tax expense/(credit)	452	(3,952)
Total income tax expense from continuing operations	3,388	1,468

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated 2012 $'000	Consolidated 2011 $'000 Restated
Profit before tax from continuing operations	88	6,338
Loss before tax from discontinued operations	(249)	(38,686)
Loss before tax	(161)	(32,348)
Income tax benefit calculated at 30%	(48)	(9,704)
Expenses not deductible for tax purposes	550	318
Other assessable income	112	-
Unused tax losses, tax offsets and temporary differences not recognised as deferred tax assets	4,270	13,447
Foreign tax rate adjustment on unrecognised deferred tax assets	(1,730)	(1,669)
PRRT related tax expense/(credit)	452	(5,584)
Other	(75)	(230)
	3,531	(3,422)
Adjustments recognised in the current year in relation to the current tax of prior years	(143)	(66)
Income tax expense/(benefit)	3,388	(3,488)
Income tax expense from continuing operations reported in the consolidated income statement	3,388	1,468
Income tax benefit attributable to discontinued operation	-	(4,956)
	3,388	(3,488)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Current tax assets and liabilities

	Consolidated 2012 $'000	Consolidated 2011 $'000
Current tax assets:		
Tax refund receivable	-	594
Current tax liabilities:		
Tax payable	5,035	-

4. INCOME TAXES (CONT'D)

(c) Deferred tax balances

	Consolidated 2012 $'000	Consolidated 2011 $'000 Restated
Deferred tax assets comprise:		
Temporary differences – refer below	-	-
Deferred tax liabilities comprise:		
Continuing operations temporary differences – refer below	12,203	16,228
Classified as held for sale temporary differences – refer below	-	3,131
	12,203	19,359

Consolidated	Opening balance $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Recognised directly in equity $'000	Acquisitions/ disposals $'000	Closing balance $'000
2012						
Income tax losses carried forward	-	-	-	-	-	-
Property, plant & equipment	(9,440)	(925)	-	-	9,187	(1,178)
Deferred exploration	(23,984)	488	-	-	2,246	(21,250)
Restoration provisions	13,223	4,764	-	-	(8,429)	9,558
Others	842	(415)	-	-	240	667
	(19,359)	3,912	-	-	3,244	(12,203)
2011						
Income tax losses carried forward	-	-	-	-	-	-
Property, plant & equipment	(11,037)	1,597	-	-	-	(9,440)
Deferred exploration	(23,778)	(206)	-	-	-	(23,984)
Restoration provisions	7,685	5,538	-	-	-	13,223
Others	2,727	(1,885)	-	-	-	842
	(24,403)	5,044	-	-	-	(19,359)

	Consolidated 2012 $'000	Consolidated 2011 $'000
Unrecognised deferred tax balances		
The following deferred tax assets, relating to foreign operations, have not been brought to account as assets:		
Tax losses – revenue	18,727	18,712
Temporary differences	296	1,599
	19,023	20,311

The foreign tax losses of $18.727 million at 31 December 2012 include losses of $10.470 million which are due to expire within the next 2 years.

The temporary differences of $0.296 million (2011: $1.599 million) relate mainly to the difference between the tax value and accounting value of exploration and evaluation assets.

4. INCOME TAXES (CONT'D)

	Consolidated 2012 $'000	Consolidated 2011 $'000
(d) Franking account balance		
On a tax paid basis	66,639	64,966

Tax consolidation

Relevance of tax consolidation to the Consolidated Entity

The Company and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 January 2004 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tap Oil Limited. The members of the tax-consolidated group are identified at note 19.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding and tax sharing arrangement with the head entity. Under the terms of the tax funding agreement, each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

5. TRADE AND OTHER RECEIVABLES

	Consolidated 2012 $'000	Consolidated 2011 $'000
Trade receivables (i)	2,350	4,194
Allowance for doubtful debts	-	-
	2,350	4,194
Joint venture debtors	1,155	423
Other	3,520	636
	7,025	5,253
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	-	663
Doubtful debts charge for the year	-	(105)
Classified as held for sale	-	(558)
Balance at the end of the year	-	-

(i) Trade receivables relate to oil and gas sales on terms that include payment 30 days from delivery.

An allowance for doubtful debts is recognised when there is objective evidence that an individual trade receivable is impaired. There are no material amounts included in the Consolidated Entity's trade receivable balance (2011: nil) which are past due, but not considered impaired, at the reporting date. The Consolidated Entity does not hold any collateral over the accounts receivable balances.

	Consolidated	
	2012 $'000	20[illegible] $'0[illegible]
6. INVENTORIES		
Materials and consumables – at cost	822	1,207
Oil in storage – at cost	-	4,008
	822	5,215
7. OTHER CURRENT ASSETS		
Prepayments	585	1,165
Prepaid gas	5,349	7,796
	5,934	8,961

8. DISPOSAL OF SUBSIDIARY, DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE

Tap executed an agreement on 10 February 2012, with an effective date of 1 January 2012, to sell its wholly owned subsidiary Tap (Harriet) Pty Ltd. The conditions precedent in the agreement were fulfilled at 30 April 2012 and the proceeds of $9.567 million (US$10 million) were received on the same day. As part of the sale agreement, Tap will retain its interests in the third party gas business.

As at 31 December 2011, Tap (Harriet) Pty Ltd was classified as a disposal group held for sale and as a discontinued operation.

As a result of an effective date of 1 January 2012 no gain/(loss) from operations were included in the consolidated statement of comprehensive income for the year ended 31 December 2012; except for the loss on disposal of the subsidiary.

Analysis of profit for the year from discontinued operations

The results of the discontinued operation included in the consolidated statement of comprehensive income are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	Consolidated	
	2012 $'000	2011 $'000 Restated
Loss for the year from discontinued operations		
Revenue	-	24,812
Cost of sales	-	(31,870)
Gross profit	-	(7,058)
Finance costs	-	(1,172)
Other expenses	-	(1,695)
Loss before tax	-	(9,925)
Attributable income tax benefit	-	4,956
	-	(4,969)
Impairment loss recognised on the re-measurement to fair value less costs to sell	-	(28,761)
Attributable income tax benefit	-	-
	-	(28,761)
Loss on disposal of subsidiary	(249)	-
Attributable income tax benefit	-	-
	(249)	-
Loss for the year from discontinued operations	(249)	(33,730)

8. DISPOSAL OF SUBSIDIARY, DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

	Consolidated 2012 $'000	Consolidated 2011 $'000 Restated
Cash flows from discontinued operations		
Net cash inflows from operating activities	-	16,219
Net cash outflows from investing activities	-	(5,932)
Net cash inflows from financing activities	-	-
Net cash inflows	-	10,287

The assets held for sale at 31 December 2011 represent the Consolidated Entity's working interest in the following production, pipeline, retention, exploration and development licences/permits:

TL/1, TL/2, TL/5, TL/6, TL/8, TL/9
PL/12, PL/17, PL/42, PL/62
TPL/1, TPL/2, TPL/5, TPL/8, TPL/13, TPL/14
TR/1, TR/2
TP/8, EP 307, EP 358
WA-45-R, WA-46-R, WA-334-P

The major classes of assets and liabilities held for sale at 31 December are as follows:	Consolidated 2012 $'000	Consolidated 2011 $'000 Restated
Assets		
Property, plant and equipment	-	36,907
Exploration and evaluation assets	-	6,106
Cash and cash equivalents	-	618
Trade and other receivables	-	509
Inventories	-	3,639
Other current assets	-	20
Assets classified as held for sale	-	47,799
Liabilities		
Deferred tax liabilities	-	3,131
Provisions (non-current)	-	28,037
Provisions (current)	-	224
Trade and other payables	-	6,591
Liabilities directly associated with assets classified as held for sale	-	37,983
	-	9,816
Impairment expense recognised in respect of assets held for sale:		
Exploration impairment losses (i)	-	1,077
Development impairment losses (ii)	-	28,761

(i) No impairment loss was recognised for the year ended 31 December 2012. For the year ended 31 December 2011, an impairment loss of $1.077 million was recognised on the Harriet exploration assets.

(ii) No impairment loss was recognised for the year ended 31 December 2012. For the year ended 31 December 2011, an impairment loss of $28.761 million was recognised on the Harriet development assets (including the Harriet oil & gas facilities). The development asset was impaired to reflect the recoverable value per the sales agreement.

8. DISPOSAL OF SUBSIDIARY, DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

	Consolidated 2012 $'000	Consolidated 2011 $'000
Disposal of subsidiary		
Consideration received in cash (i)	9,567	-
Net assets disposed of	9,816	-
Loss on the disposal of the subsidiary (ii)	(249)	-

(i) The proceeds disclosed in the statement of cash flows in respect of the sale of Tap (Harriet) Pty Ltd is $8.549 million. The net cash proceeds per the cash flow statement takes into account the relinquishment of Tap's right to the cash held in the various production and exploration permits of Tap (Harriet) Pty Ltd at 31 December 2011; which formed part of the net assets of the disposed subsidiary.

(ii) The net assets of Tap (Harriet) Pty Ltd were impaired by $28.761 million at 31 December 2011 and the development impairment expense was included in the loss from discontinued operations for the year ended 31 December 2011. The recoverable value used for the impairment testing was based on the consideration of US$10 million as outlined in the agreement executed on 10 February 2012. The sale was finalised on 30 April 2012 resulting in lower proceeds (Australian dollar) received due to the strengthening of the Australian dollar against the US dollar. This resulted in a loss on the disposal of the subsidiary to the amount of $249,000. No tax charge arose on the transaction.

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2012 $'000	Consolidated 2011 $'000
Oil and gas facilities		
Gross carrying amount – at cost:		
Opening balance	-	42,731
Additions	-	51
Classified as held for sale	-	(42,782)
Closing balance	-	-
Accumulated depreciation:		
Opening balance	-	32,667
Depreciation	-	3,363
Classified as held for sale	-	(36,030)
Closing balance	-	-
Net book value	-	-
Development expenditures		
Gross carrying amount – at cost:		
Opening balance	88,084	293,896
Additions	12,968	21,433
Transfer from exploration expenditure	39,497	374
Classified as held for sale	-	(227,619)
Closing balance (i)	140,549	88,084
Accumulated depreciation:		
Opening balance	83,648	226,965
Depreciation	67	20,347
Impairment losses charged to profit	-	38,570
Classified as held for sale	-	(202,234)
Closing balance	83,715	83,648
Net book value	56,834	4,436

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Consolidated 2012 $'000	Consolidated 2011 $'000
Office improvements, furniture & equipment		
Gross carrying amount – at cost:		
Opening balance	3,786	3,662
Additions	130	126
Asset write-offs	(167)	(2)
Closing balance	3,749	3,786
Accumulated depreciation:		
Opening balance	3,422	3,211
Asset write-offs	(162)	-
Depreciation	181	211
Closing balance	3,441	3,422
Net book value	308	364
Total – net book value	57,142	4,800

(i) The cost of development expenditures includes an amount of $12,000 for abandonment assets (2011: $36.469 million).

10. EXPLORATION AND EVALUATION ASSETS

	Consolidated 2012 $'000	Consolidated 2011 $'000
Exploration and/or evaluation phase		
At cost	115,091	161,640
Less: impairment provisions	(27,854)	(20,457)
Net carrying value	87,237	141,183
Reconciliation of movement:		
Opening balance	141,183	109,596
Current year exploration expenditure	19,532	56,503
Exploration impairment losses/write-downs	(8,657)	(4,500)
Transfer to development expenditure	(39,497)	(374)
Disposals	(21,168)	(21,808)
Farm-out of interest in Accra Joint Venture (i)	(4,156)	-
Classified as held for sale	-	1,766
Closing balance	87,237	141,183
Movement in the impairment provision:		
Balance at the beginning of the year	(20,457)	(24,524)
Impairment provision (increase)/reversal	(7,397)	34,511
Classified as held for sale	-	(30,444)
Balance at the end of the year	(27,854)	(20,457)

(i) Tap has reduced its participating interest in the Offshore Accra Contract Area from 40% to 17.5%.

Ultimate recoupment of this expenditure is dependent upon the continuance of the Consolidated Entity's right to tenure of the areas of interest and the discovery of commercially viable oil and gas reserves, their successful development and exploitation, or, alternatively, sale of the respective areas of interest at an amount at least equal to book value.

Impairment losses are provided when the carrying amount exceeds the recoverable amount.

Exploration expenditure is written off and any related impairment losses released when permits are relinquished or disposed.

11. TRADE AND OTHER PAYABLES

	Consolidated 2012 $'000	2011 $'000
Trade payables (i)	2,493	2,477
Share of joint venture payables (i)	7,789	6,730
Goods and services tax (GST) payable	285	244
Other payables	3,998	2,000
Income received in advance	5,464	11,162
	20,029	22,613

(i) The credit period on purchases averages between 7 and 30 days. No interest is charged on trade payables. The Consolidated Entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

12. PROVISIONS

	Consolidated 2012 $'000	2011 $'000
Current		
Employee benefits	711	504
Restoration costs	2,753	2,120
	3,464	2,624
Non-current		
Employee benefits	154	160
Restoration costs	14,235	13,695
	14,389	13,855
Restoration costs provision		
Reconciliation of movement:		
Opening balance	15,815	23,522
Increase resulting from re-measurement	2,470	17,555
Unwinding of discount	529	1,487
Restoration costs incurred	(1,826)	(1,244)
Classified as held for sale	-	(25,505)
Closing balance	16,988	15,815

The provision for restoration costs represents the present value of the directors' best estimate of the future sacrifice of economic benefits that will be required to remove plant and equipment and abandon producing and suspended wells. The unexpired terms used in the present value calculations are various periods up to the year 2015.

	Consolidated	
	2012 $'000	2011 $'000

13. ISSUED CAPITAL

	Consolidated 2012 $'000	Consolidated 2011 $'000
241,295,311 fully paid ordinary shares (2011: 240,995,311)	157,729	157,546

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	2012		2011	
	No. '000	$'000	No. '000	$'000
Fully paid ordinary shares				
Balance at beginning of financial year	240,995	157,546	240,967	157,530
Issue of shares under share-based payment schemes (note 22)	300	183	28	16
Balance at end of financial year	241,295	157,729	240,995	157,546

During the year, 300,000 shares were issued as a result of employee options being exercised (2011: 28,000). A total of 328,000 employee options were exercised during the 2011 financial year of which only 28,000 was converted to shares in 2011. As permitted under the Company's Dealings in Securities Policy a notice was received on 24 November 2011 for the exercise of 300,000 options due to expire on 25 November 2011. At the time of providing the notice, the employee who provided the notice of exercise was prohibited from trading in the Company's securities under the Company's Dealings in Securities Policy due to the possession of price sensitive information.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share options

In accordance with the provisions of the share-based payment schemes, former directors and employees had 871,000 (2011: 1,732,237) outstanding options over ordinary shares at 31 December 2012. All of the options had already vested at 31 December 2012 and 536,000 have since expired unexercised resulting in an outstanding balance of 335,000 as at the date of this financial report. The outstanding balance of 335,000 options has an exercise price of $1.48.

A total of 11,356 (2011: 2,555,622) options were forfeited and 849,881 (2011: 1,059,141) options expired unexercised during the 2012 financial year.

The share options carry no rights to dividends and no voting rights. Further details of the share-based payment schemes are contained in note 22 to the financial statements.

Share performance and retention rights

In accordance with the provisions of the share-based payment schemes, employees had 8,857,048 (2011: 5,728,624) outstanding performance and retention rights over ordinary shares at 31 December 2012. A total of 234,737 of the performance rights vested during the year ended 31 December 2012 (2011: nil). No retention rights had vested at 31 December 2012.

A total of 594,343 (2011: 2,316,465) performance and retention rights were forfeited during the 2012 financial year. A total of 291,565 performance rights lapsed during the 2012 financial year (2011: nil).

A total of 815,571 of the performance rights have since been forfeited and a total of 313,295 retention rights have since vested. No retention rights have been forfeited since 31 December 2012.

The performance and retention rights carry no rights to dividends and no voting rights. Further details of the share-based payment schemes are contained in note 22 to the financial statements.

14. EARNINGS PER SHARE

	Consolidated	
	2012 Cents per share	2… Cents p… share Restate…
Basic earnings per share		
From continuing operations	(1.4)	2.0
From discontinued operations	(0.1)	(14.0)
Total basic earnings per share	(1.5)	(12.0)
Diluted earnings per share		
From continuing operations	(1.4)	2.0
From discontinued operations	(0.1)	(14.0)
Total diluted earnings per share	(1.5)	(12.0)

Basic earnings per share:

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2012 $'000	2011 $'000
Earnings used in the calculation of basic earnings per share	(3,549)	(28,860)
Loss for the year from discontinued operations	(249)	(33,730)
Earnings used in the calculation of basic earnings per share from continuing operations	(3,300)	4,870

	2012 No.'000	2011 No.'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	241,241	240,977

Diluted earnings per share:

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	2012 $'000	2011 $'000
Earnings used in the calculation of diluted earnings per share	(3,549)	(28,860)
Loss for the year from discontinued operations	(249)	(33,730)
Earnings used in the calculation of diluted earnings per share from continuing operations	(3,300)	4,870

	2012 No.'000	2011 No.'000
Weighted average number of ordinary shares for the purposes of diluted earnings per share (a)	241,241	242,925

(a) The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2012 No.'000	2011 No.'000
Weighted average number of ordinary shares used in the calculation of basic EPS	241,241	240,977
Shares deemed to be issued for no consideration in respect of employee options and share rights	-	1,948
Weighted average number of ordinary shares used in the calculation of diluted EPS	241,241	242,925

14. EARNINGS PER SHARE (CONT'D)

Of the 871,000 options on issue at 31 December 2012 (2011: 2,032,237), there were 871,000 options (2011: 1,976,060) out of the money and hence not dilutive and these were therefore excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share.

For the purpose of the dilutive earnings per share calculation it was estimated that a total of 2,180,685 of the outstanding 8,857,048 share rights on issue at 31 December 2012 would attain the performance hurdles. These 2,180,865 share rights were however considered anti-dilutive due to the impact of reducing the loss per share for the year ended 31 December 2012 and hence excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share.

For the purpose of the dilutive earnings per share calculation it was noted that of the 5,728,624 share rights on issue at 31 December 2011, on average an estimated 3,836,753 share rights would not attain the performance hurdles and are therefore not dilutive. The 3,836,753 share rights were therefore excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share.

15. COMMITMENTS FOR EXPENDITURE

(a) Capital expenditure commitments

	Consolidated 2012 $'000	Consolidated 2011 $'000
Committed expenditures that have not been provided for in the financial statements:		
Property, plant and equipment		
Not longer than 1 year	47,647	43,503
Longer than 1 year and not longer than 5 years	31,450	4,851
Longer than 5 years	-	-
	79,097	48,354
Exploration expenditure		
Not longer than 1 year	32,524	29,760
Longer than 1 year and not longer than 5 years	21,316	26,178
Longer than 5 years	-	-
	53,840	55,938

These commitments represent Tap's share of joint venture commitments. The commitments for exploration expenditure include the minimum expenditure requirements of various government regulatory bodies and joint ventures that the Consolidated Entity is required to meet in order to retain its present permit interests. These obligations may be subject to renegotiation, may be farmed out or may be relinquished. No amounts have been included for permits where an application for renewal has been made to the designated authority and is pending.

The property, plant and equipment commitments represent Tap's share of the G1/48 Joint Venture commitments in respect of the Manora Development.

(b) Lease commitments

Non-cancellable operating lease commitments are disclosed in note 16 to the financial statements.

16. LEASES

Operating leases

Leasing arrangements

The Consolidated Entity has non-cancellable operating leases for the following:

(i) Office premises – the premises lease expires on 31 January 2018

The Woollybutt FPSO lease came to an end on 31 May 2012.

	Consolidated	
	2012 $'000	20[illegible] $'00[illegible]
Non-cancellable operating lease commitments		
Not longer than 1 year	566	3,65[illegible]
Longer than 1 year and not longer than 5 years	2,546	3[illegible]
Longer than 5 years	57	[illegible]
	3,169	3,694

17. SEGMENT INFORMATION

The Consolidated Entity derives its revenue from the sale of oil & gas.

Information reported to the Consolidated Entity's chief operating decision maker for the purposes of resource allocation and assessment of performance is focussed on the separate divisions managed by each individual member of senior management. Based on this, the Consolidated Entity's reportable segments under AASB 8 are as follows:

- Oil & gas production and development
- Oil & gas exploration
- Third party gas

The oil & gas production and development segment includes the assets moved from the exploration phase to the development phase. This segment also includes producing assets. There are no producing assets at 31 December 2012. The Manora field is expected to commence production in early 2014. This segment is managed by the Engineering and Development Manager.

The oil & gas exploration segment includes all the areas of interest still in their exploration phase. This segment primarily incurs the exploration expenditure in the Consolidated Entity. The segment is managed by the Exploration Manager.

The Third party gas segment includes the purchases and sale of gas. The gas purchases are based on contracted quantities and sales are done via agreements with customers or in certain instances via market sales. The segment is managed by the Commercial Manager.

The following is an analysis of the Consolidated Entity's revenue and results from continuing operations by reportable operating segment for the periods under review:

	Revenue		Segment profit	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Oil & gas production and development	7,695	10,448	(4,335)	(8,574)
Oil & gas exploration	-	-	(12,250)	3,990
Third party gas	33,817	28,935	18,308	14,707
	41,512	39,383	1,723	10,123
Interest revenue			4,427	3,303
Central administration costs			(4,923)	(5,286)
Foreign exchange loss			(911)	(1,802)
Other expenses			(228)	-
Profit before tax			88	6,338
Income tax expense			(3,388)	(1,468)
(Loss)/Profit for the year from continuing operations			(3,300)	4,870

17. SEGMENT INFORMATION (CONT'D)

Segment revenues and results

Segment profit/(loss) represents the profit earned by each segment or loss made by each segment without the allocation of centralised administration expenses, recoveries of administration expenses recognised on a Consolidated Entity level, interest revenue, foreign exchange losses and income tax benefits.

The revenue represents liquids and gas sales to external customers with no intersegment sales during the period. Included in revenues arising from direct sales of third party gas of $33.817 million (2011: $28.935 million) are revenues of $18.403 million (2011: $13.102 million) which arose from sales to the Consolidated Entity's largest third party gas customer.

A gain of $11.569 million was recognised in the financial year ended 31 December 2011 relating to the sale of exploration and evaluation assets. The gain is disclosed as Other income and is attributable to the oil & gas exploration segment.

Segment assets and liabilities

The following is an analysis of the Consolidated Entity's assets and liabilities by reportable operating segment for the periods under review:

	Assets		Liabilities	
	2012 $'000	2011 $'000 Restated	2012 $'000	2011 $'000 Restated
Oil & gas production and development	57,131	9,798	19,704	19,070
Oil & gas exploration	90,361	141,771	7,248	5,735
Third party gas	7,593	11,678	8,252	11,862
Total segment assets and liabilities	155,085	163,247	35,204	36,667
Assets and liabilities classified as held for sale	-	47,799	-	37,983
Unallocated assets and liabilities	99,453	84,584	19,916	18,653
Consolidated total assets and liabilities	254,538	295,630	55,120	93,303

For the purpose of measuring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets and liabilities are allocated to reportable segments except for cash and cash equivalents and tax-related assets and liabilities.

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Oil & gas production and development	67	3,153	12,968	21,484
Oil & gas exploration	-	-	19,532	56,503
Third party gas	-	-	-	-
Other	181	211	130	126
	248	3,364	32,630	78,113

In addition to the depreciation and amortisation expense reported above, exploration expenditure write-downs/impairment losses of $8.657 million (2011: $3.423 million) were recognised in respect of exploration assets and impairment losses of $9.809 million were recognised during the financial year ended 31 December 2011 in respect of property, plant and equipment. The exploration asset write-downs/impairment losses were attributable to the oil & gas exploration segment and the property, plant equipment impairment losses were attributable to the oil & gas production and development segment. There were no other material non-cash expenses attributable to individual segments.

17. SEGMENT INFORMATION (CONT'D)

Geographical information

The Consolidated Entity operates in three principal geographical areas – Australia, Asia and Africa.

	Revenue from external customers		Non-current assets	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Australia	41,512	39,383	57,482	75,834
Asia	-	-	80,528	61,441
Africa	-	-	6,369	8,708
	41,512	39,383	144,379	145,983

18. INTERESTS IN JOINTLY CONTROLLED OPERATIONS AND ASSETS

The Consolidated Entity has interests in numerous jointly controlled operations and assets in Australia, one licence in Ghana and two licences in Thailand. The principal activity of the jointly controlled operations and assets is oil & gas exploration and production. Refer to the table below for a full list of the licences and permits held by the Consolidated Entity.

	Working interest (%)	
Exploration permits	2012	2011
Western Australia		
TP/7	12.47	12.47
WA-8-L	20.00	20.00
WA-33-R	22.47	22.47
WA-34-R	12.00	12.00
WA-49-R	10.00	-
WA-290-P	10.00	10.00
WA-320-P	33.33	33.33
WA-351-P	20.00	20.00
Ghana		
Offshore Accra Contract Area	17.50	40.00
Tasmania		
T/47P	61.54	61.54
Thailand		
G1/48	30.00	30.00
G3/48	30.00	30.00
Indonesia		
Rangkas PSC	-	24.00
Production & Pipeline Licences		
Western Australia		
TL/2	10.00	10.00
WA-22-L	15.00	15.00
WA-25-L	15.00	15.00
PL/14	10.00	10.00
TPL/3	10.00	10.00
TPL/4	10.00	10.00
TPL/7	10.00	10.00

The production, pipeline, retention, exploration and development licences/permits sold as part of the sale of Tap (Harriet) Pty Ltd, with an effective date of 1 January 2012, are listed in note 8.

18. INTERESTS IN JOINTLY CONTROLLED OPERATIONS AND ASSETS (CONT'D)

Joint Venture net assets

The Consolidated Entity's share of assets and liabilities in jointly controlled operations is detailed below. The amounts are included in the consolidated financial statements in their respective categories:

	Consolidated	
	2012 $'000	2011 $'000
Current assets		
Cash	4,160	5,337
Receivables	1,155	423
Inventories	822	5,215
Assets classified as held for sale	-	47,799
Total current assets	6,137	58,774
Non-current assets		
Property, plant and equipment	56,834	4,436
Exploration and evaluation assets	87,237	141,183
Total non-current assets	144,071	145,619
Total assets	150,208	204,393
Current liabilities		
Trade and other payables	7,958	4,074
Provision for restoration	2,753	2,120
Liabilities directly associated with assets classified as held for sale	-	34,852
Total current liabilities	10,711	41,046
Non-current liabilities		
Provision for restoration	14,235	13,695
Total non-current liabilities	14,235	13,695
Total liabilities	24,946	54,741
Net assets	125,262	149,652
Revenues	7,695	34,623
Cost of sales	(7,592)	(38,161)
Other expenses[i]	(3,100)	(25)
Loss before income tax	(2,997)	(3,563)

(i) Included in the 2012 Other expenses is the restoration expenses relating to Woollybutt. Refer to note 3(g).

Capital commitments and contingent liabilities

The capital commitments arising from the Consolidated Entity's interests in jointly controlled operations are disclosed in note 15. No contingent liabilities have been identified beyond those set out in note 26.

19. SUBSIDIARIES

Name of entity	Country of incorporation	Ownership interest	
		2012 %	2011 %
Parent entity			
Tap Oil Limited (i)	Australia		
Subsidiaries (ii)			
Tap (Harriet) Pty Ltd (iii)	Australia	-	100
Tap West Pty Ltd	Australia	100	100
Tap (Shelfal) Pty Ltd	Australia	100	100
Tap (New Zealand) Pty Ltd	Australia	100	100
Tap Oil (Philippines) Pty Ltd	Australia	100	100
Tap (Ghana) Pty Ltd	Australia	100	100
Tap Oil (Ghana) Ltd (iv)	Ghana	100	100
Tap Energy (Rangkas) Pty Ltd	Australia	100	100
Tap Bass Pty Ltd (v)	Australia	100	100
Tap Energy (Thailand) Pty Ltd	Australia	100	100
Tap (Zola) Pty Ltd (vi)	Australia	100	100
Tap (WA Gas) Pty Ltd (vi)	Australia	100	100
Tap Energy (Vietnam) Pty Ltd (vii)	Australia	100	100
Tap Energy (GOT) Limited (viii)	Thailand	100	-
Tap (Shale) Pty Ltd (ix)	Australia	100	-
Tap (Maitland) Pty Ltd (x)	Australia	100	-
Tap (SCB) Pty Ltd (x)	Australia	100	-
Tap (NCB) Pty Ltd (x)	Australia	100	-
Tap (Alpha) Pty Ltd (xi)	Australia	100	-

(i) Tap Oil Limited is the head entity of the tax-consolidated group.

(ii) All subsidiaries incorporated in Australia are members of the tax-consolidated group. Tap Oil (Ghana) Ltd (which is incorporated in Ghana) and Tap Energy (GOT) Limited (which is incorporated in Thailand) are excluded from the tax-consolidated group.

(iii) Tap (Harriet) Pty Ltd was sold on 1 January 2012.

(iv) Tap Oil (Ghana) Ltd is a wholly owned subsidiary of Tap (Ghana) Pty Ltd.

(v) Tap Bass Pty Ltd was originally named SPC Bass Pty Ltd. Name was changed to Tap Bass Pty Ltd after the acquisition by Tap (Shelfal) Pty Ltd. Tap Bass Pty Ltd is a wholly owned subsidiary of Tap (Shelfal) Pty Ltd.

(vi) Tap (Zola) Pty Ltd and Tap (WA Gas) Pty Ltd were incorporated on 31 October 2011. Tap (Zola) Pty Ltd is a wholly owned subsidiary of Tap (Shelfal) Pty Ltd.

(vii) Tap Energy (Vietnam) Pty Ltd was incorporated on 25 November 2011.

(viii) Tap Energy (GOT) Limited is a wholly owned subsidiary of Tap Energy (Thailand) Pty Ltd. Tap Energy (GOT) Limited was incorporated on 17 September 2012.

(ix) Tap (Shale) Pty Ltd was incorporated on 28 June 2012.

(x) Tap (Maitland) Pty Ltd, Tap (SCB) Pty Ltd and Tap (NCB) Pty Ltd were incorporated on 26 July 2012. All three are wholly owned subsidiaries of Tap (Shelfal) Pty Ltd.

(xi) Tap (Alpha) Pty Ltd was incorporated on 1 November 2012 and is a wholly owned subsidiary of Tap (Shelfal) Pty Ltd.

The principal activity of all the subsidiaries is oil and gas exploration and production; except for Tap (WA Gas) Pty Ltd where the principal activity is the purchase and subsequent sale of gas.

20. NOTES TO THE CASH FLOW STATEMENT

	Consolidated 2012 $'000	Consolidated 2011 $'000 Restated
(a) Reconciliation of cash and cash equivalents		
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and cash held in joint ventures.		
Cash and cash equivalents	96,378	81,825
Cash and cash equivalents classified as held for sale	-	618
	96,378	82,443
(b) Reconciliation of loss for the period to net cash flows from operating activities		
(Loss)/profit for the year – continuing operations	(3,300)	4,870
Loss for the year – discontinuing operations	(249)	(33,730)
Depreciation and amortisation of non-current assets	248	23,921
Foreign exchange loss	419	1,614
Equity settled share-based payments	633	634
Property, plant and equipment impairment losses	-	38,570
Exploration impairment losses/write-downs	8,657	4,500
Non-cash interest expense	529	1,487
Rehabilitation/restoration expense adjustments	2,459	-
Other non-cash expenses	405	-
Gain on sale of exploration and evaluation assets	-	(11,559)
Increase/(decrease) in current tax liability	5,629	(3,120)
Increase/(decrease) in deferred tax balances	(4,025)	(5,044)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	380	4,615
Current inventories	4,777	(4,314)
Other current assets	3,027	1,160
Increase/(decrease) in liabilities:		
Current payables	1,602	(86)
Employee Provisions	201	(15)
Unearned Revenue	(5,698)	2,812
Net cash provided by operating activities	15,694	26,315

FINANCIAL INSTRUMENTS

(a) Capital risk management

The Consolidated Entity manages its capital to ensure that it will be able to continue as a going concern whi[illegible] maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Consolidated Entity consists of equity attributable to equity holders, comprising iss[illegible] capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Consolidated Entity's Board of Directors reviews the capital structure on an ongoing basis. As a part of this review the Board of Directors considers the cost of capital and the risks associated with each class of capital. A[illegible] needed the Consolidated Entity will balance its overall capital structure through new share issues and share buy backs; as well as the issue of debt.

The Consolidated Entity's overall strategy remains unchanged from 2011.

The Consolidated Entity has no external debt outstanding at 31 December 2012 (2011: nil).

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Categories of financial instruments

	Consolidated	
	2012 $'000	2011 $'000
Financial assets		
Cash and cash equivalents	96,378	81,825
Trade and other receivables	7,025	5,253
Held for sale financial assets	-	1,127
Financial liabilities		
Trade & other payables	20,029	22,613
Held for sale financial liabilities	-	6,591

(d) Financial risk management objectives

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Consolidated Entity's policies approved by the board of directors, which provide written principles on the use of financial derivatives.

The Consolidated Entity's operations expose it primarily to the financial risks of changes in crude oil prices and foreign currency exchange rates. The Consolidated Entity may enter into a variety of derivative financial instruments to manage its exposure to crude oil price and foreign currency risk, including:

- forward oil price contracts; and
- forward foreign exchange contracts.

(e) Oil price risk management

The Consolidated Entity's oil and condensate production is sold on spot crude oil markets and hence has exposure to crude oil price fluctuations. Oil price exposures are managed within approved policy parameters utilising forward oil price swap contracts and potentially other hedging instruments.

The Consolidated Entity currently has no oil and condensate production. Manora production in Thailand is forecasted to commence in early 2014. In respect of the forecasted Manora production it is the policy of the Consolidated Entity not to enter into forward oil price contracts for more than 50% of forecasted 1P oil and condensate production for the twelve month period commencing three months after the forecast period of peak production being reached; and for more than 25% of forecasted 1P oil and condensate production for the 12 months thereafter. In 2012 no forward oil price contracts were entered into (2011: nil).

21. FINANCIAL INSTRUMENTS (CONT'D)

Oil Price sensitivity

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the oil price. Sensitivities to such possible movements are used when reporting oil price risk internally to key management personnel to represent management's near term assessment of the possible change in oil prices. The sensitivity analysis below includes current year sales levels varied by a 10% and 20% increase in the Consolidated Entity's average Australian dollar oil price. A positive number indicates an increase in profit and equity where the oil price increases. For a 10% and 20% decrease in the Australian dollar oil price, there would be a comparable impact on the profit and equity, and the balances below would be negative.

	Consolidated	
	Oil Price Impact	
	2012 $'000	[illegible]
Profit or loss: 10%	770	2,746
Profit or loss: 20%	1,540	5,493

(f) Foreign currency risk management

The Consolidated Entity sells all oil and condensate production in US Dollars and hence has exposure to exchange rate fluctuations. The Consolidated Entity further pays its portion of the Asian and African Joint Venture expenses in US Dollars. Exchange rate exposures are managed within approved policy parameters and may include products such as forward foreign exchange contracts and currency swap agreements.

It is the policy of the Consolidated Entity to constantly assess the foreign exchange exposure and to enter in forward contracts when deemed necessary.

In 2012 no forward foreign exchange contracts were entered into (2011: nil).

The Consolidated Entity's exposure to foreign currency balances is contained in the table below:

	Consolidated			
	Assets		Liabilities	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
US Dollars	26,387	20,690	6,671	6,781

Foreign currency sensitivity

The Consolidated Entity is mainly exposed to US dollars (USD).

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the Australian dollar against the US dollar. Management considers foreign exchange sensitivity when reporting foreign currency risk internally to key management personnel. Management continually monitors exchange rate forecasts and assesses the impact of possible changes in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% and 20% strengthening in foreign currency rates. A positive number indicates an increase in profit and equity where the Australian Dollar weakens against the US Dollar. For a 10% and 20% strengthening of the Australian Dollar against the US Dollar, there would be a comparable impact on the profit and equity, and the balances below would be negative.

	Consolidated	
	US Dollar Impact	
	2012 $'000	2011 $'000
Profit or loss: 10%	1,972	1,391
Profit or loss: 20%	3,944	2,782

21. FINANCIAL INSTRUMENTS (CONT'D)

(g) Interest rate risk management

The Consolidated Entity is subject to interest rate risk exposure through its cash and cash equivalents. The Consolidated Entity is currently not exposed to interest rate risk on borrowings as it has no borrowings.

Interest rate sensitivity

The sensitivity analysis below has been determined based on exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Consolidated Entity's profit or loss and equity for the year will be impacted as follows:

	Consolidated	
	Interest Rate Impact	
	2012 $'000	2011 $'000
Profit or loss: 50 basis points increase	461	382
Profit or loss: 50 basis points decrease	(461)	(382)

(h) Credit risk management

Credit risk refers to the risk that a sales customer or counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity.

The Consolidated Entity has adopted a policy of only dealing with creditworthy customers and counterparties. Receivable balances are monitored on an ongoing basis with the result that the Consolidate Entity's exposure to bad debts is not significant.

The Consolidated Entity may at times have a high credit risk exposure to a single customer in relation to oil liftings or gas sales. The above-mentioned credit risk management procedures are followed in these instances. Of the total receivables balance of $7.025 million (2011: $5.762 million) in the Consolidated Entity at 31 December 2012, $2.223 million (2011: $3.882 million) relate to the three largest third party gas customers; and $1.394 million relates to an outstanding receivable in respect of the Accra Joint Venture farm-out. All of the outstanding third party gas receivables and the receivable relating to the Accra farm-out have been received after year-end and prior to the date of the financial report.

The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Consolidated Entity's maximum exposure to credit risk.

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who built an appropriate framework for the management of the Consolidated Entity's short, medium and long term funding and liquidity management requirements. The Consolidated Entity manages liquidity risk by monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

21. FINANCIAL INSTRUMENTS (CONT'D)

Maturity profile of financial instruments

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Consolidated Entity can be required to pay. The following table details the Consolidated Entity's exposure to liquidity risk:

	Consolidated					
	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
		'000				
2012						
Financial Assets						
Non-interest bearing		11,191	-	-	-	11,191
Variable interest rate	0.71%	26,903	-	-	-	26,903
Fixed interest rate	4.57%	37,196	16,142	11,971	-	65,309
		75,290	16,142	11,971	-	103,403
Financial Liabilities						
Non-interest bearing		20,029	-	-	-	20,029
2011						
Financial Assets						
Non-interest bearing		11,721	-	-	-	11,721
Variable interest rate	0.76%	23,154	-	-	-	23,154
Fixed interest rate	5.78%	40,820	12,248	-	262	53,330
		75,695	12,248	-	262	88,205
Financial Liabilities						
Non-interest bearing		29,204	-	-	-	29,204

(j) Fair value of financial instruments

Except as detailed in the following table, the directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- the fair value of derivative instruments, included in hedging assets and liabilities, are calculated using quoted prices.

21. FINANCIAL INSTRUMENTS (CONT'D)

The following table details the fair value of financial assets and financial liabilities, which represents a reasonable approximation of the carrying value of the financial assets and liabilities:

	Consolidated			
	Carrying amount		Fair value	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Financial assets				
Cash and cash equivalents	96,378	81,825	96,378	81,825
Trade and other receivables	7,025	5,253	7,025	5,253
Held for sale financial assets	-	1,127	-	1,127
	103,403	88,205	103,403	88,205
Financial liabilities				
Trade and other payables	20,029	22,613	20,029	22,613
Held for sale financial liabilities	-	6,591	-	6,591
	20,029	29,204	20,029	29,204

22. SHARE-BASED PAYMENTS

Tap currently has the Tap Share Rights Plan as its share-based payment scheme. This plan has been effective since 30 April 2010.

Performance Rights

Long-term incentive awards are made in the form of rights to shares which will have a vesting timeframe of three years. The number of rights that vest will be based on the Consolidated Entity's performance over the same three years. The long-term incentive awards are made by way of the grant of Performance Rights as soon as practicable after each year end. Grants of Performance Rights will be made each year with effect from 1 January.

Vesting of up to 50% of the Performance Rights depends upon the Consolidated Entity's Absolute Total Shareholder Return (ATSR) over three years and up to 50% depends upon Relative Total Shareholder Return (RTSR). The ATSR and RTSR performance hurdles required to achieve increasing levels of vesting will be set by the Board to apply from 1 January of the relevant year. For the Performance Rights granted in 2012 and 2011 as long-term incentive awards, the Board has set the following ATSR and RTSR performance hurdles:

Assess 50% of Rights Against ATSR	
Average Annual ATSR over 3 years	% of Rights which will vest after 3 years
<5%	0%
=5%	12.5%
=15%	25%
≥25%	50%

Assess 50% of Rights Against RTSR	
Relative TSR (Relative Percentile Ranking of TSR against peers over 3 years)	% of Rights which will vest after 3 years
<P50%	0%
=P50%	12.5%
=P62.5	25%
≥P75%	50%

22. SHARE-BASED PAYMENTS (CONT'D)

Vesting characteristics of the Performance Rights are as follows:

1. Performance measurement period is three years, which is consistent with the typical time cycle for an exploration program and the Consolidated Entity's strategic emphasis on exploration.
2. Performance is based on differences in ATSR and RTSR as measured from the end of one preceding period to the end of the 3-year assessment period. The ATSR and RTSR use the 30-day VWAP of the Consolidated Entity's shares preceding and including the last day of each measurement period.
3. RTSR is assessed against a peer group of like companies determined by the Board before the start of each assessment period or as soon as practical thereafter. In 2012, the Consolidated Entity used a group of approximately 30 (2011: 30) petroleum industry companies which are listed on the ASX and whose market capitalisation ranged from approximately $3 million to $1,870 million.

Retention Rights

Retention Rights are issued to staff pursuant to the terms of the Share Rights Plan upon or as soon as practicable after commencement of employment. Such rights would vest if the employee remains employed by the Consolidated Entity for three years. Retention Rights are valued at 100% of the 30-day volume-weighted average share price (VWAP) of the Consolidated Entity's shares preceding the date of grant.

Special Awards

The Board retains the discretion to make Special Awards each year. Special Awards can be in the form of Performance Rights and/or Retention Rights. Special Awards are granted to individual staff or Group Executives who are judged by the Board to have made an extraordinary contribution to the current or future performance of the Consolidated Entity or who are expected to play a critical role in one of the Consolidated Entity's activities that could take 2-3 years to complete and where retention of the individual's services is seen as an important determinant of the success to that activity.

In October 2011, the Board reviewed the remuneration and incentives of all employees in light of retention issues brought about by the competitive Western Australia and South East Asian petroleum industry employment market and the difficult and volatile financial markets. Following this review, the Company made a special award to all employees (excluding directors) in order to supplement their employment terms over the period up to and including 31 December 2013. Rather than offer cash-based incentives, the Board issued performance rights on 29 November 2011 and 1 March 2012 (measurement period commenced 1 Oct 2011) with an expiry date of 1 October 2018. The performance rights have similar performance hurdles compared to the long-term incentive performance rights, except for vesting of the performance rights occurring after 2 years. Employees were able to apply to the Board for vesting of 50% of the rights after 1 year.

22. SHARE-BASED PAYMENTS (CONT'D)

Grant date	Number	Expiry date	Exercise price $	Fair value at grant date $
2012				
Performance Rights				
1/03/2012	246,033	1/10/2018	-	0.19
1/03/2012	246,033	1/10/2018	-	0.13
7/03/2012	3,524,254	1/01/2019	-	0.10
Retention Rights				
7/03/2012	194,445	1/01/2019	-	0.84
1/06/2012	12,950	28/05/2019	-	0.70
5/10/2012	25,353	17/09/2019	-	0.71
2011				
Performance Rights				
31/01/2011	2,706,151	1/01/2018	-	0.15
18/05/2011	906,123	1/12/2017	-	0.17
29/11/2011	384,136	1/10/2018	-	0.19
29/11/2011	384,136	1/10/2018	-	0.13
Retention Rights				
31/01/2011	243,386	1/01/2018	-	0.80
25/02/2011	18,257	17/01/2018	-	0.90
25/02/2011	142,027	10/02/2018	-	0.90
18/05/2011	383,360	1/12/2017	-	0.81
19/05/2011	132,290	2/03/2018	-	0.93
19/05/2011	71,023	1/04/2018	-	1.06
19/05/2011	106,566	2/05/2018	-	1.05
19/05/2011	22,195	9/05/2018	-	0.98
19/05/2011	36,240	16/05/2018	-	0.95
16/08/2011	11,608	19/07/2018	-	0.84
16/08/2011	36,145	20/07/2018	-	0.83
30/08/2011	14,674	31/05/2018	-	0.92
30/08/2011	36,012	2/08/2018	-	0.84
29/11/2011	77,420	17/10/2018	-	0.63
29/11/2011	38,096	24/10/2018	-	0.63

The volume weighted average fair value of the performance rights granted in 2012 is $0.10 (2011: $0.16). Performance rights issued are valued using a Monte Carlo Simulation model. The Monte Carlo Simulation model is a computer based technique where a large sample of iterations is performed, based on random numbers and their associated probabilities determined by a specified probability distribution function. The Monte Carlo Simulation model is used to determine the probability of the absolute return performance hurdles and the relative return performance hurdles being achieved.

The performance rights have no exercise price and vesting occurs after three years (except in the case of the performance rights granted as a special award on 29 November 2011 where 50% of vesting may occur after 1 year and vesting of the remaining rights occurs after 2 years). Expected volatility for the ATSR performance hurdle is based on the volatility of historical 3-year performance period returns using 30-day VWAP share price data. Expected volatility for the RTSR performance hurdle is based on the volatility of historical 3-year performance period returns using 30-day VWAP share price data of Tap Oil Limited shares compared to its peer group.

22. SHARE-BASED PAYMENTS (CONT'D)

The performance rights granted as a special award on 29 November 2011 have no exercise price and 50% of vesting may occur after 1 year and vesting of the remaining rights occurs after 2 years. Expected volatility for the ATSR performance hurdle is based on the volatility of historical 1-year and 2-year performance period returns using 30-day VWAP share price data. Expected volatility for the RTSR performance hurdle is based on the volatility of historical 1-year and 2-year performance period returns using 30-day VWAP share price data of Tap Oil Limited shares compared to its peer group.

The volume weighted average fair value of the retention rights granted in 2012 is $0.82 (2011: $0.85). Retention rights are valued using the Black Scholes model with the life of the rights assumed to be three years, which is the same as the vesting period of the retention rights (based on employees remaining in the Consolidated Entity's employment for three years as the condition for rights vesting). The retention rights have no exercise price and no other performance conditions, except that the employees need to be in the Consolidated Entity's employment after a period of three years, resulting in the fair value of the retention rights being equal to the 30-day VWAP share price at the date of grant (the volatility and risk-free rate included as inputs to the Black Scholes model will be irrelevant). Expected volatility is based on the historical 30-day VWAP share price volatility over a 3-year performance period and the risk free interest rate based on the Reserve Bank of Australia's 3-year government bond rate, both as quoted on the date of grant of the retention rights.

	Inputs into the model						
Rights series (by expiry date)	Grant date share price	Vesting probability	Exercise price	Expected volatility	Vesting term of rights	Dividend yield	Risk-free interest rate
2012							
Performance Rights							
1/10/2018	$0.88	31%	$0.00	14%	1yr	-	N/A
1/10/2018	$0.88	21%	$0.00	16%	2yr	-	N/A
1/01/2019	$0.77	11%	$0.00	16%	3yr	-	N/A
Retention Rights							
1/01/2019	$0.84	N/A	$0.00	44%	3yr	-	3.66%
28/05/2019	$0.70	N/A	$0.00	44%	3yr	-	2.33%
17/09/2019	$0.71	N/A	$0.00	44%	3yr	-	2.49%

	Inputs into the model						
Rights series (by expiry date)	Grant date share price	Vesting probability	Exercise price	Expected volatility	Vesting term of rights	Dividend yield	Risk-free interest rate
2011							
Performance Rights							
1/01/2018	$0.80	20%	$0.00	36%	3yr	-	N/A
1/12/2017	$0.81	20%	$0.00	36%	3yr	-	N/A
1/10/2018	$0.63	31%	$0.00	14%	1yr	-	N/A
1/10/2018	$0.63	21%	$0.00	16%	2yr	-	N/A
Retention Rights							
1/01/2018	$0.80	N/A	$0.00	44%	3yr	-	5.10%
17/01/2018	$0.90	N/A	$0.00	44%	3yr	-	5.20%
10/02/2018	$0.90	N/A	$0.00	44%	3yr	-	5.20%
1/12/2017	$0.81	N/A	$0.00	44%	3yr	-	5.01%
2/03/2018	$0.93	N/A	$0.00	44%	3yr	-	5.01%
1/04/2018	$1.06	N/A	$0.00	44%	3yr	-	5.01%
2/05/2018	$1.05	N/A	$0.00	44%	3yr	-	5.01%
9/05/2018	$0.98	N/A	$0.00	44%	3yr	-	5.01%
16/05/2018	$0.95	N/A	$0.00	44%	3yr	-	5.01%
19/07/2018	$0.84	N/A	$0.00	44%	3yr	-	3.85%
20/07/2018	$0.83	N/A	$0.00	44%	3yr	-	3.85%
31/05/2018	$0.92	N/A	$0.00	44%	3yr	-	3.85%
2/08/2018	$0.84	N/A	$0.00	44%	3yr	-	3.85%
17/10/2018	$0.63	N/A	$0.00	44%	3yr	-	3.38%
24/10/2018	$0.63	N/A	$0.00	44%	3yr	-	3.38%

22. SHARE-BASED PAYMENTS (CONT'D)

The following reconciles the outstanding share rights granted at the beginning and end of the financial year:

	2012		2011	
	Number of rights	Weighted average exercise price $	Number of rights	Weighted average exercise price $
Balance at beginning of the financial year	5,728,624	-	2,295,245	-
Granted during the financial year	4,249,069	-	5,749,844	-
Forfeited during the financial year	(594,343)	-	(2,316,465)	-
Vested during the financial year [i]	(234,737)	-	-	-
Lapsed during the financial year	(291,565)	-	-	-
Balance at end of the financial year [ii]	8,857,048	-	5,728,624	-

(i) Vested during the financial year

A total of 234,737 performance rights vested during the 2012 financial year (2011: nil). No retention rights vested during the 2012 or 2011 financial years.

(ii) Balance at end of the financial year

The performance rights and retention rights outstanding at the end of the financial year had no exercise prices and had a weighted average remaining contractual life of 1,954 days (2011: 2,159 days).

The following share-based payment schemes were applicable for the year ended 31 December 2009 (these share-based payment schemes were replaced by the Tap Oil Limited Share Rights Plan from 30 April 2010) :

(a) Tap Employee Incentive Option Plan;
(b) Tap Executive Director Option Plan;
(c) Tap Oil Management Incentive Option Plan; and
(d) Tap Employee and Director Share Plan.

No options were issued during the 2012 and 2011 financial years. The remaining option balance at 31 December 2012 relates to options issued in prior years. No shares were purchased in terms of the Tap Employee and Director Share Plan during the 2012 financial year (2011: nil).

The following reconciles the outstanding share options granted at the beginning and end of the financial year:

	2012		2011	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the financial year	1,732,237	1.30	5,675,000	1.20
Granted during the financial year	-	-	-	-
Forfeited during the financial year	(11,356)	0.78	(2,555,622)	0.93
Exercised during the financial year [i]	-	-	(328,000)	0.61
Expired during the financial year	(849,881)	1.07	(1,059,141)	1.86
Balance at end of the financial year [ii]	871,000	1.53	1,732,237	1.30
Exercisable at end of the financial year	871,000	1.53	1,732,237	1.30

(i) Exercised during the financial year

There were no options exercised during the 2012 financial year (2011: 328,000).

(ii) Balance at end of the financial year

The share options outstanding at the end of the financial year had adjusted exercise prices in the range $1.48 to $1.56 and a weighted average remaining contractual life of 93 days (2011: 249 days).

23. KEY MANAGEMENT PERSONNEL COMPENSATION

After consideration of the nature of each employee's role within the Consolidated Entity, in the opinion of the Board the Consolidated Entity had the following key management personnel during the financial year:

Non-Executive Directors

- D W Bailey (Chairman since 31 March 2012)
- M J Sandy
- D A Schwebel (appointed 16 February 2012)
- N F Taylor (retired as Chairman and Director 31 March 2012)
- P B Lane (retired 16 February 2012)

Senior Executives

- T J Hayden (Managing Director/CEO)
- B M Ulmer (Engineering and Development Manager)
- D J Rich (Chief Financial Officer)
- M J Williams (General Counsel/Company Secretary since 10 February 2011)
- T M Schmedje (Exploration Manager since 1 March 2011/New Ventures Manager since 1 September 2011)
- A C Sudlow (Commercial Manager since 2 May 2011)
- A N Patterson (Business Development Manager since 1 January 2012)

The aggregate compensation of the key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2012 $	2011 $
Short-term employee benefits	3,576,393	3,839,394
Post-employment benefits	270,181	297,785
Other long-term benefits	-	77,480
Termination benefits	-	-
Share-based payments	691,929	357,104
	4,538,503	4,571,763

24. RELATED PARTY TRANSACTIONS

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 19 to the financial statements.

Equity interests in jointly controlled operations and assets

Details of interests in jointly controlled operations and assets are disclosed in note 18 to the financial statements.

(b) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 23 to the financial statements and in the remuneration report disclosed in the Directors report.

24. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel equity holdings

Fully paid ordinary shares of Tap Oil Limited

2012	Balance at 1/1/12	Received on vesting of rights	Received on exercise of options	Net other change (i)	Balance held directly & indirectly at 31/12/12	Balance held nominally (indirectly) (ii)
	No.	No.	No.	No.	No.	No.
Non-executive Directors						
D W Bailey	145,650	-	-	-	145,650	-
M J Sandy	89,472	-	-	9,000	98,472	-
D A Schwebel	-	-	-	100,000	100,000	-
Executives						
T J Hayden	72,275	-	-	-	72,275	-
M J Williams	-	35,398	-	-	35,398	-
B M Ulmer	46,178	35,398	-	(46,922)	34,654	-
T M Schmedje	-	35,398	-	(35,398)	-	-
A C Sudlow	-	35,398	-	-	35,398	-
D J Rich	26,071	35,398	300,000	(270,000)	91,469	-
A N Patterson	-	-	-	-	-	-
	379,646	176,990	300,000	(243,320)	613,316	-

2011	Balance at 1/1/11	Received on vesting of rights	Received on exercise of options	Net other change (i)	Balance held directly & indirectly at 31/12/11	Balance held nominally (indirectly) (ii)
	No.	No.	No.	No.	No.	No.
Non-executive Directors						
N F Taylor	219,726	-	-	-	219,726	-
P B Lane	958,602	-	-	-	958,602	-
M J Sandy	89,472	-	-	-	89,472	-
D W Bailey	145,650	-	-	-	145,650	-
Executives						
T J Hayden	30,000	-	-	42,275	72,275	-
M J Williams	-	-	-	-	-	-
B M Ulmer	46,178	-	-	-	46,178	-
T M Schmedje	-	-	-	-	-	-
A C Sudlow	-	-	-	-	-	-
D J Rich	26,071	-	-	-	26,071	-
	1,515,699	-	-	42,275	1,557,974	-

(i) Represents shares sold and purchased on the market.

(ii) Nominally means 'in name only'. Disclosure of equity holdings held nominally means disclosure of the equity instruments held by the key management person (or their related entity) in his or her name for the benefit of someone outside their related entity group.

24. RELATED PARTY TRANSACTIONS (CONT'D)

Options in ordinary shares of Tap Oil Limited

There were no options held by key management personnel during 2012.

2011	Balance at 1/1/11	Granted as remu-neration	Exercised	Net other changes(i)	Balance at 31/12/11	Vested at 31/12/11	Vested but not exercise-able	Vested and exercise-able	Vested during year
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Non-executive Directors									
N F Taylor	-	-	-	-	-	-	-	-	-
P B Lane	-	-	-	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-	-	-	-
D W Bailey	-	-	-	-	-	-	-	-	-
Executives									
T J Hayden	-	-	-	-	-	-	-	-	-
M J Williams	-	-	-	-	-	-	-	-	-
B M Ulmer	665,849	-	-	(665,849)	-	-	-	-	-
T M Schmedje	-	-	-	-	-	-	-	-	-
A C Sudlow	-	-	-	-	-	-	-	-	-
D J Rich	300,000	-	(300,000)	-	-	-	-	-	-
	965,849	-	(300,000)	(665,849)	-	-	-	-	-

(i) Represents options forfeited or expired.

24 RELATED PARTY TRANSACTIONS (CONT'D)

Rights in ordinary shares of Tap Oil Limited

2012	Balance at 1/1/12 No.	Granted as remuneration No.	Vested during the year No.	Lapsed during the year No.	Balance at 31/12/12 No.
Non-executive Directors					
D W Bailey	-	-	-	-	-
M J Sandy	-	-	-	-	-
D A Schwebel	-	-	-	-	-
Executives					
T J Hayden	1,289,483	907,782	-	-	2,197,265
M J Williams	142,027	426,490	(35,398)	(43,968)	489,151
B M Ulmer	834,867	444,963	(35,398)	(43,968)	1,200,464
T M Schmedje	497,285	356,150	(35,398)	(43,968)	774,069
A C Sudlow	106,566	279,297	(35,398)	(43,968)	306,497
D J Rich	760,608	511,198	(35,398)	(43,968)	1,192,440
A N Patterson	-	194,445	-	-	194,445
	3,630,836	3,120,325	(176,990)	(219,840)	6,354,331

2011	Balance at 1/1/11 No.	Granted as remuneration No.	Vested during the year No.	Lapsed during the year No.	Balance at 31/12/11 No.
Non-executive Directors					
N F Taylor	-	-	-	-	-
P B Lane	-	-	-	-	-
M J Sandy	-	-	-	-	-
D W Bailey	-	-	-	-	-
Executives					
T J Hayden	-	1,289,483	-	-	1,289,483
M J Williams	-	142,027	-	-	142,027
B M Ulmer	295,391	539,476	-	-	834,867
T M Schmedje	37,395	459,890	-	-	497,285
A C Sudlow	-	106,566	-	-	106,566
D J Rich	345,779	414,829	-	-	760,608
	678,565	2,952,271	-	-	3,630,836

All performance and retention rights issued to key management personnel during the financial year were made in accordance with the provisions of the Tap Share Rights Plan referred to in note 22. No options were issued in the 2012 or 2011 financial years; and other than upon the exercise of options or the vesting of share rights no shares were issued in the 2012 or 2011 financial years.

No options were exercised in the 2012 financial year (2011: 300,000). A total of 176,990 performance rights vested during the 2012 financial year (2011: nil), while 219,840 performance rights lapsed during the 2012 financial year (2011: nil).

Further details of the share-based payment schemes are contained in note 22 to the financial statements.

(d) Transactions with other related parties

Other related parties include the parent entity, jointly controlled operations in which the entity is a venturer and subsidiaries.

Amounts receivable from and payable to within the Tap Oil Limited Group eliminates on consolidation. The outstanding balances related to jointly controlled operations and assets are disclosed in note 18 to the financial statements. All loans advanced to and payable to related parties are unsecured, have no fixed repayment dates and are interest-free.

The Consolidated Entity has no outstanding commitments at 31 December 2012 with related parties.

25. REMUNERATION OF AUDITORS

	Consolidated 2012 $	Consolidated 2011 $
Audit services		
Auditor of the parent entity – Deloitte Touche Tohmatsu		
- Audit and review of financial reports	110,250	136,500
Overseas Deloitte Touche Tohmatsu firms		
- Audit of financial report	13,408	5,668
	123,658	142,168
Other auditors		
- Audit of financial report	13,070	12,885
	136,728	155,053
Other services		
Other auditors		
- Taxation services	3,425	3,693
	3,425	3,693

26. CONTINGENCIES

Success payments in respect of the Manora oil field development

As part of the consideration for acquiring the G1/48 permit in 2010, Tap Energy (Thailand) Pty Ltd (a subsidiary of Tap Oil Limited), is liable to make a 2P Reserves Deferred Payment up to a maximum of US$29.85 million. This amount is payable up to four years after first production and is conditional on the Manora 2P Reserves (plus recovered oil) remaining greater than 10MMbbls. The payment is calculated pro-rata based on 2P reserves between 10mmbbls and 35mmbbls.

Brunei Block M

On 8 November 2012 Tap Oil Limited announced that it had received a letter from a participant in Block M, onshore Brunei demanding payment under a parent company guarantee.

Tap has considered the claims the subject of the letter together with all relevant materials. Tap considers the claim to be without legal and factual merit.

No formal claim has been made to date. Should any formal claim be made, Tap Oil will vigorously defend the claim.

The probability of any material financial outflow from the Consolidated Entity is considered remote.

Contractual Disputes - Woollybutt Joint Venture

Production ceased at Woollybutt on 16 May 2012 and the FPSO sailed away on 4 June 2012. The Woollybutt joint venture Operator has subsequently received correspondence from FVSN, the FPSO contractor for the Woollybutt field, asserting claims arising out of the FPSO Contract:

1. Contract rates

   This claim relates to rates applicable for the last period of the FPSO lease. Tap considers the appropriate rates to be that applicable under the FPSO Contract. Tap considers the probability of any material financial outflow from the Consolidated Entity is unlikely. No formal action has been commenced and the claim is scheduled to be mediated in April.

2. Well Product

   This claim relates to costs incurred by FVSN in 2008 which, FVSN claim, were a result of the well product being out of specification. Tap considers the matters are dealt with under the terms of the FPSO Contract. No formal action has been commenced. Tap considers the probability of any material financial outflow from the Consolidated Entity is unlikely.

27. SUBSEQUENT EVENTS

Since the end of the financial year the Directors are not aware of any other matter or circumstance not otherwise dealt with within the financial report that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

28. PARENT ENTITY DISCLOSURES

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 1 for a summary of the significant accounting policies relating to the Consolidated Entity.

Financial Position	Parent Entity	
	2012 $'000	2011 $'000
Assets		
Current assets	208,240	125,109
Non-current assets	20,214	47,234
Total assets	228,454	172,343
Liabilities		
Current liabilities	55,962	31,734
Non-current liabilities	154	160
Total liabilities	56,116	31,894
Equity		
Issued capital	157,729	157,546
Retained earnings	8,768	(22,481)
Reserves		
Share option reserve	4,491	4,491
Share rights reserve	1,350	893
Total equity	172,338	140,449

Financial Performance	2012 $'000	2011 $'000
Profit/(Loss) for the year	31,249	(7,406)
Other comprehensive income	-	-
Total comprehensive income	31,249	(7,406)

28. PARENT ENTITY DISCLOSURES (CONT'D)

Guarantees entered into by the parent entity

Parent company guarantees are extended on a case by case basis. Tap Oil Ltd has provided a number of performance guarantees for subsidiaries under the terms of joint venture operating agreements and agreements with Governments pertaining to oil & gas exploration.

Tap Oil Limited granted a parent company guarantee which guaranteed the obligations of its previously owned subsidiary under the Production Sharing Agreement for Block M, Brunei.

Tap Oil Limited has a parent company guarantee in place which guarantees the obligations of Tap Oil (Ghana) Ltd under the Petroleum Agreement for the Offshore Accra Contract Area, Ghana.

Tap Oil Limited has a parent company guarantee in place which guarantees the obligations of Tap Energy (Thailand) Pty Ltd under the Petroleum Concession for the G1/48 Permit Area, Thailand.

Tap Oil Limited has parent company guarantees in place which guarantees the obligations of Tap (WA Gas) Pty Ltd under gas sale agreements.

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2012 other than those disclosed in note 26.

Lease commitments of the Parent entity

Operating leases

Leasing arrangements

The Parent Entity has non-cancellable operating leases for office premises – the premises lease expires on 31 January 2018.

	Parent Entity	
	2012 $'000	2011 $'000
Non-cancellable operating lease commitments		
Not longer than 1 year	566	461
Longer than 1 year and not longer than 5 years	2,546	39
Longer than 5 years	57	-
	3,169	500

29. GENERAL INFORMATION

Tap Oil Limited is a listed public company, incorporated in Australia.

Tap Oil Limited's registered office and its principal place of business are as follows:

Registered office

Level 1, 47 Colin Street
West Perth WA 6005
Ph: +61 8 9485 1000

Principal place of business

Level 1, 47 Colin Street
West Perth WA 6005
Ph: +61 8 9485 1000

Shareholder Information

as at 15 March 2013

1. NUMBER OF EQUITY HOLDERS

Ordinary Share Capital

241,608,606 fully paid ordinary shares are held by 7,236 individual shareholders.

Options (Non-Employee)

Other than unlisted options issued under the Tap Oil Executive Director Option Plan, no options were on issue at the date of this report.

2. VOTING RIGHTS

In accordance with Article 5 of the Company's Constitution, on a show of hands every shareholder present in person or by proxy, attorney or representative of a shareholder has one vote and on a poll every shareholder present in person or by proxy, attorney or representative of a shareholder has in respect of fully paid shares, one vote for every share held. No class of Option holders and rights holders do not have has a right to vote, however the shares issued upon exercise of options or vesting of rights will rank pari passu with the then existing issued fully paid ordinary shares.

3. DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Shareholders
1 to 1,000	1,351
1,001 to 5,000	3,018
5,001 to 10,000	1,331
10,001 to 100,000	1,419
100,001 & over	117
Total	7,236

4. UNMARKETABLE PARCELS

There were 782 shareholders holding less than a marketable parcel of shares in the Company.

5. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as disclosed in substantial shareholder notices given to the Company and/or the records maintained by the Company's share registry are as follows:

Name	Shares	%
M&G Investment Management	36,097,251	14.9
Dimensional Fund Advisors	13,951,436	5.8
Northern Gulf Petroleum Holdings	13,407,043	5.5

6. THE 20 LARGEST HOLDERS OF ORDINARY SHARES

Name	Units	% of Units
HSBC Custody Nominees (Australia) Limited	49,303,879	20.41
Citicorp Nominees Pty Limited	24,607,933	10.19
BNP Paribas Noms Pty Ltd <DRP>	21,290,618	8.81
J P Morgan Nominees Australia Limited	17,899,998	7.41
National Nominees Limited	12,930,612	5.35
JP Morgan Nominees Australia Limited <Cash Income A/C>	11,681,632	4.83
AMP Life Limited	5,063,903	2.10
HSBC Custody Nominees (Australia) Limited-GSCO ECA	4,221,526	1.75
Zero Nominees Pty Ltd	3,946,680	1.63
Ms Magaret Packer	1,503,351	0.62
Weswood Pty Ltd <Paul Underwood Family A/C>	1,429,767	0.59
Suncorp Custodian Services Pty Limited <SGAEAT>	998,373	0.41
Merrill Lynch (Australia) Nominees Pty Limited	939,294	0.39
Vulcan Custodian Limited	924,720	0.38
Belbay Investments Pty Ltd	881,500	0.36
Mr David Andrew Jennings + Ms Deborah Jan Jennings <Jennings Family Super A/C>	800,000	0.33
Mr Gregory John Munyard + Mrs Maria Ann Munyard + Miss Carmen Helene Munyard <Riviera Super Fund A/C>	770,000	0.32
Keepa Pty Ltd <Keepa Investment A/C>	705,000	0.29
QIC Limited	691,436	0.29
Mario Traviati	667,064	0.28
TOTAL	**161,257,286**	**67.74**

Corporate Directory

Directors

D W Bailey
Independent, Non-executive Chairman

T J Hayden
Managing Director/Chief Executive Officer

M J Sandy
Independent, Non-executive Director

D A Schwebel
Independent, Non-executive Director

Company Secretary

S F Blenkinsop
M J Williams

Registered Office

Level 1, 47 Colin Street
West Perth WA 6000
Telephone: +61 8 9485 1000
Facsimile: +61 8 9485 1060
Email: info@tapoil.com.au
Website: www.tapoil.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9323 2000

Auditors

Deloitte Touche Tohmatsu
Level 14, 240 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange Limited
ASX Code – TAP

Bankers

Commonwealth Bank of Australia
Level 14A, 300 Murray St
Perth WA 6000

St George Bank
Level 11, 152-158 St Georges Terrace
Perth WA 6000

I, Tresa Van Elburg, an officer of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia, having been duly authorised by the Secretary of the Department of Foreign Affairs and Trade, **DO HEREBY CERTIFY** that the signature/seal/stamp "Ian Barrie Murie" appearing on the document on the reverse hereto is the true signature/seal/stamp of Ian Barrie Murie. In so certifying, neither I nor the Department of Foreign Affairs and Trade endorse, verify or make any statement as to the accuracy, truth, legality or otherwise of the contents of the document or the purposes for which the document may be used. Neither I nor the Department of Foreign Affairs and Trade accept liability for any loss, damage or injury arising out of the use of, or reliance on, the document or its contents. I provide no undertaking that I have read the contents of the document.

GIVEN under my Hand and the seal of the Department of Foreign Affairs and Trade this Eighteenth day of April, Two Thousand and Thirteen.

For the Secretary
Department of Foreign Affairs and Trade

EMBASSY OF THE REPUBLIC OF THE UNION OF MYANMAR
22 Arkana Street, Yarralumla, Canberra, A.C.T. 2600
Tel: (02) 6273 3811 Fax: (02) 6273 3181
Email: mecanberra@bigpond.com

No. 299 /45

I, the undersigned, **TIN YU, Minister-Counsellor** of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, do hereby certify that the signature **" TRESA VAN ELBURG "** and the seal on the annexed document are respectively the signature of **T Van Elburg**, Foreign Affairs Officer and the seal of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia.

IN WITNESS whereof I have hereto set my hand and affixed the seal of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, this twenty second day of April Two Thousand and Thirteen.

TIN YU

MINISTER-COUNSELLOR

NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME I IAN BARRIE MURIE, Notary Public, duly authorised admitted and sworn, residing and practising in Perth in the State of Western Australia in the Commonwealth of Australia **CERTIFY AND ATTEST** that the copy document attached to this certificate comprising 29 pages is a true copy of the original document of which it purports to be a copy which, after careful examination, I attest.

I, **IAN BARRIE MURIE** have hereunto subscribed my name and affixed my Seal of Office this 17 day of April 2013

IAN BARRIE MURIE
Notary Public
16 Emerald Terrace
West Perth, Western Australia

EMBASSY OF THE REPUBLIC OF THE UNION OF MYANMAR
22 Arkana Street, Yarralumla, Canberra, A.C.T. 2600
Tel: (02) 6273 3811 Fax: (02) 6273 3181
Email: mecanberra@bigpond.com

No. 298/45

I, the undersigned, **TIN YU, Minister-Counsellor** of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, do hereby certify that the signature **" TRESA VAN ELBURG "** and the seal on the annexed document are respectively the signature of **T Van Elburg**, Foreign Affairs Officer and the seal of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia.

IN WITNESS whereof I have hereto set my hand and affixed the seal of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, this twenty second day of April Two Thousand and Thirteen.

TIN YU

MINISTER-COUNSELLOR

NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME I IAN BARRIE MURIE, Notary Public, duly authorised admitted and sworn, residing and practising in Perth in the State of Western Australia in the Commonwealth of Australia **CERTIFY AND ATTEST** that the copy document attached to this certificate comprising 39 pages is a true copy of the original document of which it purports to be a copy which, after careful examination, I attest.

I, **IAN BARRIE MURIE** have hereunto subscribed my name and affixed my Seal of Office this 17 day of April 2013

IAN BARRIE MURIE
Notary Public
16 Emerald Terrace
West Perth, Western Australia

I, Sherene Till
solicitor certify that this is a true and correct copy of an original document.

Signature: [signature]

Date: 16/4/13

Tap Oil Limited

ABN 89 068 572 341

Financial Report for the financial year ended 31 December 2012

[signature] 17/4/2013

IAN BARRIE MURIE
16 Emerald Terrace
West Perth Western Australia
General Public Notary

Financial Report for the financial year ended 31 December 2012

Page

Directors' Report

The Directors of Tap Oil Limited (Tap or the Consolidated Entity) submit herewith the annual financial report of the Company for the financial year ended 31 December 2012, in order to comply with the provisions of the Corporations Act 2001.

1. Principal Activities

Tap's principal activities in the course of the financial year were oil and gas exploration and production and gas marketing. No material change in the nature of these activities occurred during the financial year. With the end of the field life at Woollybutt, Tap will have no further production from its existing assets until production at the Manora field commences in early 2014.

2. Consolidated Results

Tap's revenue for 2012 was $45.9 million (2011: $42.7 million from continuing and $24.8 million from discontinuing operations), of which $4.4 million (2011: $3.3 million) was interest revenue. Prior year other income of $11.6 million related to the gain recognised on the sale of part of Tap's working interest in the WA-351-P permit. After exploration impairment losses of $8.7 million (2011: $3.4 million) and with no property, plant and equipment impairment losses recognised (2011: $9.8 million), the net profit from continuing operations before tax was $0.1 million (2011: $6.3 million); and the net loss from continuing operations after tax was $3.3 million (2011: net profit of $4.9 million). The loss from discontinued operations for the year ended 31 December 2011 was $33.7 million, which included an impairment loss of $28.8 million. The impairment loss of $28.8 million related to the Harriet Joint Venture development assets which were impaired to reflect the offer price in the Tap (Harriet) Pty Ltd sales agreement. Tap generated $15.7 million of cash from operations (2011: $10.1 million from continuing operations and $16.2 million from discontinued operations).

Tap's wholly owned subsidiary, Tap (Harriet) Pty Ltd, was classified as a disposal group held for sale and as a discontinued operation at 31 December 2011. As a result of an effective sale date of 1 January 2012 no gains/(losses) attributable to the subsidiary (discontinued operation) were included in the financial results for the year ended 31 December 2012, except for the loss of $0.2 million on the disposal of the subsidiary.

3. Dividends

The Directors of the Company do not recommend the paying of a dividend for the financial year.

Since the end of the previous financial year, no dividend has been paid or declared.

4. Review of Operations

4.1 Strategic Overview

Tap is a diversified exploration and production company with cash reserves at 31 December 2012 of $96.4 million, no debt, ongoing revenues, appraisal and development projects and a balanced exploration portfolio. Tap's strategic intent is to create value for shareholders through discovering, developing, acquiring, producing and selling oil and gas. Tap maintains an active business development and new ventures program in order to continually improve its asset portfolio.

4.1.1 Exploration

The 2012 exploration campaign included the Tallaganda-1 well in WA-351-P in the offshore Carnarvon Basin, Australia and a three well campaign in the G1/48 and G3/48 concessions offshore in the Northern Gulf of Thailand. At the conclusion of drilling, Tallaganda-1 was declared to be a gas discovery. Subsequent studies by Tap indicate approximately 500 Bcf of gas in the WA-351-P portion of the Tallaganda structure (including 222 Bcf of P50 contingent resource and 278 Bcf of P50 prospective resource). In Thailand, each of the wells reached final total depth with no significant evidence of hydrocarbons being encountered. Although these results were disappointing, they were low cost wells and there is the opportunity to undertake further evaluation of the results before the commencement of Tap's 2013 Thailand exploration drilling program.

Carnarvon Basin – Offshore Western Australia

WA-351-P

During 2012, the Tallaganda-1 well in WA-351-P tested a large Triassic prospect which extends into the WA-335-P permit to the south. The well was drilled to a final total depth of 4,365 metres by the semi-submersible drilling rig Atwood Eagle. A comprehensive data set including cores, wireline logs, pressure data and fluid samples was obtained prior to release of the rig on 26 April 2012.

The result was the discovery of an accumulation of hydrocarbons and confirmation of the prospectivity of the Mungaroo formation in the permit.

Due to the variable quality of the gas bearing interval penetrated by Tallaganda-1, further analysis was required to assess the commercial significance of the discovery. Tap's conclusion, after review of the operator's preliminary volumetric analysis, was that approximately 222 Bcf of P50 Contingent Resources and 278 Bcf of P50 Prospective Resources are contained within the WA-351-P portion of the Tallaganda structure. Accordingly, Tap has booked 49 PJ of Contingent Resources for Tallaganda representing its share of discovered hydrocarbons.

There are a number of other Triassic Mungaroo prospects in WA-351-P in addition to prospects and leads identified in Jurassic and Early Cretaceous formations that are productive reservoirs elsewhere in the Carnarvon Basin. The assessment of the Tallaganda discovery and the remaining block potential is ongoing. There are currently no plans for drilling in WA-351-P during 2013.

WA-351-P is expected to be a long lead time LNG development which does not fit Tap's business strategy. Tap is continuing to investigate options to monetise its interest in the asset.

WA-290-P and WA-49-R

The greater Zola structure comprises several fault blocks along the Alpha Arch, south of the giant Gorgon gas field. The 2011 Zola discovery was assigned a gross mean contingent gas sales resource of 378 Bcf (1C to 3C range between 209 Bcf and 584 Bcf) by independent expert, RPS Energy Services Pty Ltd (RPS). Adjacent undrilled fault blocks were assigned gross mean Prospective Resources of 2.3 Tcf (range between 1.5 Tcf and 3.3 Tcf).

The greater Zola structure and earlier Antiope gas discovery are now held under the 5 year WA-49-R retention lease awarded in 2012.

Processing of the Cambozola 3D seismic survey continued throughout 2012 with processing finalised late in the third quarter.

Late in 2012 following interpretation of the Cambozola 3D seismic survey, the joint venture agreed to drill the Bianchi prospect. The Bianchi-1 appraisal well will test an amplitude supported Triassic prospect in a separate fault block to Zola, some 6.4 kilometres north-northeast and down dip of the Zola-1/ST1 discovery. Drilling the Bianchi-1 well is expected to take 80 days on a trouble-free basis to reach a planned total depth of 5,200 metres and will qualify as the WA-49-R commitment well.

Located close to existing and developing gas infrastructure, there are multiple potential development options for Zola. Any development could also encompass the adjacent Antiope gas discovery which is not included in the RPS volumetric estimates. The operator has initiated a gas development study to consider development options for Zola and Antiope, the results of which are expected in the middle of 2013.

Given the Zola gas discovery may also be a long lead time LNG development, Tap is continuing to investigate options to monetise its interest in this asset.

WA-320-P and WA-155-P (Part II)

WA-320-P is an exploration permit located approximately 50 kilometres northwest of Onslow in the offshore Carnarvon Basin, Western Australia.

In November 2012, Tap entered into an agreement with a subsidiary of Apache Corporation to exchange a 13.555% interest in WA-320-P for a corresponding 13.555% interest in the adjacent permit, WA-155-P (Part II). Apache will operate both permits.

The Palmerston gas prospect straddles WA-320-P and WA-155-P (Part II). Palmerston has similar characteristics to the Zola discovery. Drilling of the prospect is not required until 2015, however the joint venture may drill an exploration well to test this prospect in early 2014.

This pre-drill exchange of equity gives Tap the benefit of a lower cost exposure for the Palmerston-1 well in WA-320-P while expanding its acreage footprint into WA-155-P (Part II) and over the entire Palmerston prospect.

TL/2 and TP/7

The TL/2 production license and TP/7 exploration permit are located in the offshore Carnarvon Basin, approximately 40 kilometres north-northeast of Onslow, Western Australia.

The Taunton oil field was discovered in 1991 and straddles the westernmost parts of the TL/2 and TP/7 permits. The field was subsequently appraised by three additional wells which encountered oil in the stacked Mardie Greensand, Birdrong and Barrow sands. Tap has previously recognised a net 2C Contingent Resource of 0.9 MMstb for the Taunton field.

The TL/2 and TP/7 joint venture partners are planning to drill the Taunton-5/5H appraisal well in the second quarter of 2013. The Taunton-5 pilot and 5H horizontal well are designed to evaluate the potential deliverability of the Mardie Greensand reservoir. If productivity can be confirmed in the Mardie Greensand, this may enable the economic development of the Taunton Field.

Carnarvon Basin, Onshore Western Australia

SPA 5 AO and SPA 6 AO

On 24 April 2012, Tap announced that it had entered into a binding agreement with Rusa Resources (Australia) Pty Ltd (Rusa) in respect of two large special prospecting authority (SPA) applications with Acreage Options (SPA 5 AO and SPA 6 AO). The Acreage Options allow for the conversion of a percentage of the SPA areas into exploration permits, subject to government and other approvals. Exploration will focus primarily on unconventional plays, with the main targets being Permian shale gas and Devonian shale oil. There is also conventional oil and gas potential and initial studies are intended to delineate the most prospective regions for conversion to exploration permits.

The SPAs cover a combined 38,000 km^2 and contain a large part of the Palaeozoic Merlinleigh Sub-basin, the entire Bryo Sub-basin and associated shelfal areas. The Dampier to Bunbury natural gas pipeline crosses the acreage and could provide access to the West Australian domestic gas market.

Rusa holds full equity ownership of the two SPAs which were granted in November 2012 for a period of six months.

By participating throughout the SPA period, Tap has earned an option to take a 20% interest in the resulting exploration permits on election, subject to providing a further level of funding in the year 1 work program. In addition, Tap has an option to earn another 15% in each permit by electing before the end of year 1 to contribute towards a later exploration well.

Offshore Thailand

Tap holds a 30% direct interest in the G1/48 concession and an indirect 30% interest in the G3/48 concession. Under the terms of both concessions, 50% of the acreage was relinquished in 2012. The acreage over sedimentary basins was retained by the joint venture. The concessions are operated by Pearl Oil (Amata) Limited (Pearl), a Mubadala Petroleum affiliate. The G1/48 concession contains the Manora oil field which is presently under development.

During 2012, three exploration wells were drilled in Tap's Gulf of Thailand concessions. The Manora-5 and Kinnaree-1 ST1 wells were drilled in G1/48 and the Pathum-1 well was drilled in G3/48. Kinnaree-1 ST1 and Pathum-1 were commitment wells for G1/48 and G3/48 respectively. All three wells reached final total depth with no significant evidence of hydrocarbons encountered.

The 2012 Thai drilling campaign cost Tap approximately US$8.2 million (including a 10% NGP carry) and fulfilled drilling commitments in both the G1/48 and G3/48 concessions. Tap and the operator will evaluate the well results before finalising the 2013 drilling campaign, which is expected to commence in the second half of the year. Evaluation of the Kinnaree and North Kra 3D surveys has identified six prospects along the western flank of the northern Kra Basin. These prospects have not been impacted by the results of the 2012 drilling campaign.

The joint venture has submitted applications for the renewal of three year exploration terms in both concessions. Approval of these applications will see both concessions enter their third terms and require two commitment wells to be drilled in G1/48 and one in G3/48.

Offshore Ghana

The Offshore Accra Contract Area covers an area of 2,000 km^2 and is located to the southeast of Accra, the capital of the Republic of Ghana, in water depths ranging from less than 50 metres to greater than 2,500 metres.

The Offshore Accra Contract Area is located in an emerging oil province on the West Africa Transform Margin, along the northern Gulf of Guinea. A number of discoveries have been made in a variety of analogous geological settings along this margin. In 2007, the Jubilee field (one of the largest oil discoveries in the world in 2007) was discovered by Kosmos Energy and Tullow Oil, establishing a new deepwater play offshore Ghana. Jubilee commenced production in 2010 and according to Tullow Oil, has estimated recoverable resources of up to 1 billion barrels. Subsequent discoveries in Ghana (Tweneboa, Odum, Owo, Teak, Akasa, Dzata, Sankofa, Gye Nyame and Paradise) and in the Liberian Basin (Venus and Mercury) have further demonstrated the potential that exists along the whole margin.

Processing of the 3D data acquired in 2011 was completed in 2012. Interpretation of the data indicates multiple large prospects in both the post-rift Upper Cretaceous fan sands (the same play type as Jubilee) and in the pre-rift Lower Cretaceous rotated fault blocks (the same play type as the Espoir and Baobab oil fields). Several prospects and leads have been mapped and have unrisked prospective resources of greater than 3 billion barrels.

An extensive farmout process was conducted by the contractor group during 2012. In December 2012, the Ghana National Petroleum Corporation (GNPC) and the Minister for Energy of the Republic of Ghana approved a farmout of the contract area. Operatorship and a 20% participating interest in the Contract Area was transferred to a wholly owned subsidiary of Ophir Energy plc (Ophir). Ophir is a successful, African focused upstream oil and gas company with significant deep water West African drilling experience. The other new entrants to the contractor group are Vitol Upstream (Accra) Limited (30%) and Rialto Energy (Ghana) Limited (12.5%). The entry of Rialto Energy (Ghana) Limited into the Contractor Group is conditional on it providing a bank guarantee in respect of its participating interest share of the approved work program and budget for the current Exploration Period. Afex Oil (Ghana) Limited retain a 20% interest while Tap retains a 17.5% interest in the contract area. Challenger Minerals (Ghana) Limited has exited the contractor group. As part of the farmout, Tap received approximately US$4.4 million in past costs from the farmees.

A 12 month extension to the initial exploration period of the contract area was granted by the Ministry of Energy, Ghana in 2012. The initial exploration period now ends on 23 September 2013, by which date the commitment well must be drilled. The contractor group has agreed that the well should target a large, deep water Jubilee-style prospect named Starfish, with prospective resources in the range of half a billion barrels (431 mmbbls (P50); 665 mmbbls (PMean)). Drilling of the Starfish-1 well is expected in the third quarter of 2013.

<u>**Other Exploration**</u>

T/47P

This permit expired in 2012 and Tap is in discussions with the National Offshore Petroleum Title Administrator regarding a Good Standing Agreement.

Harriet Joint Venture (HJV)

In the offshore Carnarvon Basin, Tap executed an agreement to sell its subsidiary, Tap (Harriet) Pty Ltd including Tap's interest in the HJV to a subsidiary of Apache Corporation for US$10 million. The sale removed all uncertainty associated with litigation exposure including the Burrup Fertilisers gas contract dispute, Alcoa proceedings and the Varanus Island pipeline prosecution. In addition, Tap's restoration and abandonment liability of $28 million was transferred to Apache. The transaction also included the transfer of Tap's 10% interest in WA-45-R, WA-46-R and a 20% interest in WA-334-P.

The transaction has enabled Tap to focus on the development of growth assets which will underpin the Company for years to come. The HJV, while historically a foundation asset for Tap, had suffered from declining production and rising costs over the past few years

4.1.2 Appraisal and Development

G1/48

The G1/48 concession contains the Manora field, which was discovered in late 2009. Experienced international operator, Pearl, a Mubadala Petroleum affiliate operates the concession. On the basis of the field development plan, Tap has booked 2P reserves of 6.1 mmbbls. Ultimate production is anticipated to be 31.1 mmbbls (gross recoverable - 9.3 mmbbls net to Tap) from the main pay sequence that is the focus of the field development plan, as well as two other oil pay sequences. The additional 3.2 mmbbls (net) is expected to become 2P reserves once production history confirms the higher recovery factor modelled using a water flood simulation. First production is anticipated for early 2014 and will ramp up to an estimated peak rate of 15,000 barrels of oil per day.

In July 2012, Tap announced that the critical milestone of a Final Investment Decision (FID) had been reached. In addition, the Environmental Impact Assessment and North Kra Production Area Application were approved by Thai regulatory authorities. During the year, the Department of Mineral Fuels, Thailand approved the transfer of Tap's 30% interest to its subsidiary Tap Energy (Thailand) Pty Ltd.

The Manora field development concept is a single well head platform with 15 development wells, comprising 10 production and 5 water injection wells linked to a Floating Storage Offtake (FSO) vessel. The total project cost is estimated at US$246 million (excluding abandonment) and Tap's share is US$74 million plus a US$13 million carry of NGP. Pearl has extensive experience with this style of development in Thailand through its operation of the successful Jasmine project.

Following FID, the contract for construction and installation of the platform was awarded to a consortium of Clough Limited and TL Offshore SDN Berhad. Long lead items pre-ordered by the joint venture were delivered to the construction yard and platform construction remains on schedule and budget for completion in early 2014.

The FSO Unit conversion and charter contracts were awarded to affiliates of Tanker Pacific Offshore Terminals Pte Ltd. The FSO, the "Manora Princess", has been surveyed and will undergo conversion during 2013 prior to installation at Manora early in 2014.

The Drilling Rig Services contract was awarded to Atwood Offshore Worldwide Limited in January 2013. The contract includes the 15 Manora development wells and up to three exploration wells in the 2013 Thailand exploration drilling program.

HSE remains a key focus for all participants in the Manora development with no reportable incidents occurring in 2012.

WA-191-P

In January 2012, Tap and Santos Limited, the operator of the permit, entered into an agreement whereby Santos acquired Tap's 8.2% interest in the WA-191-P exploration permit for $21.7 million. Santos paid $18.0 million as consideration for the interest with the balance of $3.7 million representing a refund of cash already spent by Tap on the oil development.

A critical factor in the Fletcher Finucane development economics is the commercial terms under which the Mutineer-Exeter facility would process the Fletcher Finucane oil. Tap would have preferred to participate in the development of Fletcher Finucane but was unable to reach acceptable commercial terms despite extensive negotiations with the Mutineer-Exeter joint venture.

4.1.3 Production and Sales

	2012 '000 boe	2012 $'000	2011 '000 boe	2011 $'000
Production (net to Tap):				
Liquids - HJV			154	
Oil - Woollybutt	31		155	
Total liquids	31		309	
HJV Sales Gas – nil TJ (2011: 3,575 TJ)			533	
Total production	31		842	
Sales (net to Tap):				
Liquids	84	7,695	236	27,465
HJV Gas Sales – nil TJ (2011: 3,496 TJ)	-		516	4,777
Third Party Gas Sales – 4,555 TJ (2011: 3,762 TJ)	672	33,817	555	27,554
Tolling	-		-	4,339
Total sales	756	41,512	1,307	64,195
Average realised oil price		A$91/bbl		A$116/bbl

This table includes both continuing and discontinued operations.

Due the sale of HJV assets to Apache effective 1 January 2012, there was no oil and gas production attributable to Tap for HJV during 2012.

Production at the Woollybutt field ceased on 16 May 2012 and the final lifting was conducted on 30 May 2012. Woollybutt production was 30,677 bbls net to Tap for the year. The full field abandonment campaign of Woollybutt is scheduled to commence in 2015.

Tap has contracts with third parties where it buys gas from the John Brookes field and re-sells this gas to customers. Both the purchase and sale prices are CPI linked and fixed in AUD, thereby avoiding any exposure to changes in commodity prices or exchange rates. This gas is largely contracted and will generate revenue of approximately $30 million per annum through to the end of 2016.

Sales were higher in 2012 due to the significant delivery of previously banked gas. The component of gas sales deferred by the contractual banking mechanism should be reduced to zero by the end of 2013.

4.2 Financial Summary

Tap's revenue for 2012 was $45.9 million (2011: $42.7 million from continuing and $24.8 million from discontinuing operations), of which $4.4 million (2011: $3.3 million) was interest revenue. Prior year other income of $11.6 million related to the gain recognised on the sale of part of Tap's working interest in the WA-351-P permit. After exploration impairment losses of $8.7 million (2011: $3.4 million) and with no property, plant and equipment impairment losses recognised (2011: $9.8 million), the net profit from continuing operations before tax was $0.1 million (2011: $6.3 million); and the net loss from continuing operations after tax was $3.3 million (2011: net profit of $4.9 million). The loss from discontinued operations for the year ended 31 December 2011 was $33.7 million, which included an impairment loss of $28.8 million. The impairment loss of $28.8 million related to the Harriet Joint Venture development assets which were impaired to reflect the offer price in the Tap (Harriet) Pty Ltd sales agreement. Tap generated $15.7 million of cash from operations (2011: $10.1 million from continuing operations and $16.2 million from discontinued operations).

Tap's wholly owned subsidiary, Tap (Harriet) Pty Ltd, was classified as a disposal group held for sale and as a discontinued operation at 31 December 2011. As a result of an effective sale date of 1 January 2012 no gains/(losses) attributable to the subsidiary (discontinued operation) were included in the financial results for the year ended 31 December 2012, except for the loss of $0.2 million on the disposal of the subsidiary.

The following analysis of the financial results exclude the financial results of Tap (Harriet) Pty Ltd, which was disclosed as an asset held for sale and discontinued operation at 31 December 2011.

Revenue from liquid sales (Woollybutt sales) of $7.3 million was lower compared to the 2011 revenue of $10.4 million, mainly due to Tap's realised price per barrel of $118 in 2011 compared to $91 in 2012. No oil price hedges were in place for 2012 production, resulting in all production being sold at US dollar spot oil prices. No oil price or currency hedging has been put in place for subsequent years.

Third party gas sales were 23% higher compared to the 2011 financial year, mainly driven by the drawdown of previously banked gas by gas customers.

Gas purchases from third parties are included in the cost of sales and the 2012 gas purchases were 18% higher compared to the 2011 financial year, tracking the higher third party gas revenue.

At Woollybutt, cost of sales were 5% lower compared to the 2011 financial year, reflecting lower sales quantities in 2012.

Forming part of the cost of sales is the depreciation charged on a unit of production basis. There was no depreciation charged on the Woollybutt oil & gas asset due to the impairment of the asset to nil at 31 December 2011 (2011: $3 million). The depreciation charged for the year ended 31 December 2012 relates to the Airlie oil & gas asset and was comparable to the 2011 financial year.

The exploration activities in 2012 are set out in the Strategic Overview in item 4.1 above. Following the 2012 exploration results, the exploration impairment losses/write-downs recorded as at 31 December 2012 were $8.7 million (2011: $3.4 million). There were no property, plant and equipment impairment losses in 2012 (2011: 9.8 million). The $9.8 million property, plant & equipment impairment loss in the 2011 financial year relates to the Woollybutt development asset, which eventuated due to an increase in the estimates for abandonment and other costs involved in the end of field life at 31 December 2011. The increase in the abandonment cost estimates led to an increase in the restoration liability, resulting in an increase in the abandonment asset.

Included in other expenses in the 2012 financial year is restoration expenses of $2.459 million (2011: nil), which relates to the restoration adjustments in respect of the Woollybutt restoration liability. The Woollybutt asset has reached the end of its useful life and has been fully impaired at 31 December 2011 and therefore restoration adjustments are captured directly in the Statement of Comprehensive Income.

5. Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name	Committee Memberships	Experience
D W Bailey *B.Bus (Acc), CPA, ACIS* Non-executive Director and Chairman Appointed, 11 November 2009	Nominations Committee (Chair) Audit Committee Remuneration Committee Reserves Committee	Douglas Bailey is an accountant with over 30 years experience in the resources industry. He is a former CEO and Managing Director of Ashton Mining Limited and a former CFO of Woodside Petroleum Limited. Douglas is experienced in all commercial aspects of resource company financing, project development, acquisitions and administration. Douglas is presently also a Non-Executive Director of St Barbara Limited.
T J Hayden *B.Econ, M.Fin* Managing Director/CEO Appointed, 1 December 2010	Nominations Committee	Troy Hayden joined Tap in December 2010 after a 12 year career at Woodside Petroleum, where he held a number of key positions, including Acting CFO, Vice President of the USA Business Unit and Vice President of the Pluto Business Unit. Since leaving Woodside in 2008, Troy has undertaken a number of financial and commercial consulting projects working with First Quantum Minerals and QR National.
M J Sandy *B.Sc Hons (Geology)* Non-executive Director Appointed, 22 June 2006	Audit Committee (Chair) Reserves Committee (Chair) Nominations Committee Remuneration Committee	Michael Sandy is a geologist with over 35 years experience in the resources industry with the past 30 years focused on oil and gas. Michael has worked for various oil and gas companies, including Oil Search and Novus Petroleum during the last 15 years. Michael brings a wide mix of commercial and technical skills and experience which complement the skills of the other Board members of Tap.
D A Schwebel *PhD B.Sc (Hons) Geology* Non-executive Director Appointed, 16 February 2012	Remuneration Committee (Chair) Audit Committee Nominations Committee Reserves Committee	Douglas Schwebel has over 30 years experience in the resources sector, having held various senior executive positions with ExxonMobil, including Exploration Director for its Australian upstream subsidiaries. His 26-year career with Exxon Mobil included exploration and resource commercialisation and strategy roles in Australia, the USA and Asia. Between 2008 and 2011, he was Chief Executive Officer of the privately owned Pexco NV and its Australian subsidiary Benaris International Pty Ltd. Dr Schwebel has also served as a Non-Executive Director on the Boards of Roc Oil Limited and Great Artesian Oil & Gas Limited, and is currently a Non-Executive Director of Beach Energy Limited.
P B Lane *B.Sc (Geology), FAus IMM* Non-executive Director Appointed, 14 March 1995 Resigned, 16 February 2012	Reserves Committee (Chair) Nominations Committee Audit Committee	Peter Lane is a petroleum geologist with more than 40 years experience in oil exploration and development in Australia, Canada and Papua New Guinea. Peter has managed a number of successful exploration and production companies including Vamgas NL, Reef Oil NL and Basin Oil NL. Prior to becoming a Director of Tap, Peter conducted his own consulting business for 19 years.
N F Taylor *BSc (ApplGeology), MS(Pet Eng), MBA, GAICD* Non-executive Director and Chairman Appointed, 19 March 2002 Resigned, 31 March 2012	Nominations Committee (Chair) Remuneration Committee (Chair) Reserves Committee	Neale Taylor has over 40 years of technical, operating and commercial experience in oil and gas exploration and production. Neale gained most of his experience with Esso in Australia. Neale is a member of the Society of Petroleum Engineers and a Fellow of the Australian Institute of Directors.

Directorships of other Listed Companies

Directorships of other listed companies held by Directors of the Company in the three years immediately before the end of the financial year are as follows:

Name	Company	Position	Commenced	Ceased
D W Bailey	St Barbara Limited	Director	January 2006	-
M J Sandy	Equus Mining Limited *(formerly Caspian Oil and Gas Limited)*	Director	September 2005	February 2013
	Burleson Energy Limited	Director	May 2006	-
	Hot Rock Limited	Director	June 2007	-
D A Schwebel	Beach Energy Limited	Director	November 2012	
N F Taylor	Elk Petroleum Limited	Chairman / Director	September 2010	-

T J Hayden and P B Lane did not hold any other listed company directorships in the last three years.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of the Board of Directors of Tap Oil Limited) held during the financial year and which each Director of the Company was eligible to attend and the number of meetings attended by each Director of the Company (while they were a Director or committee member).

	Board of Directors		Audit Committee		Remuneration Committee		Reserves Committee		Nominations Committee	
Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
D W Bailey	12	12	3	3	2	2	1	1	1	1
T J Hayden	12	12	-	3(i)	-	2(i)	-	2(i)	1	1
M J Sandy	12	12	3	3	2	2	2	2	1	1
D A Schwebel	11	11	2	2	1	1	1	1	1	1
P B Lane	1	1	1	1	-	1(i)	1	1	-	-
N F Taylor	3	3	-	2(i)	1	1	1	1	-	-

(i) Not a member of the committee but attended via invitation to all or part of meeting.

Changes were made to the composition of the Board and the various Board committees during the year. Following the resignation of Peter Lane in February 2012, Douglas Schwebel was appointed as a Director, a member of each of the Board committees and chairman of the Remuneration Committee. Following the resignation of Neale Taylor in March 2012, Douglas Bailey was appointed chairman of the Board, a member of the Reserves Committee and chairman of the Nominations Committee, and resigned as chairman of the Audit Committee. During the year, Michael Sandy was appointed chairman of the Audit and Reserves Committees.

Directors' Shareholdings

The following table sets out each Director's relevant interest in shares and options to acquire shares of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares	Options
D W Bailey	145,650	-
T J Hayden	72,275	-
M J Sandy	98,472	-
D A Schwebel	100,000	-

As at the date of this report, T J Hayden has been issued 3,300,000 share rights. No Non-executive Directors of the Company have share rights.

Company Secretary

Melanie Williams LLB, Grad Cert Corp Mgt – appointed 10 February 2011. Ms Williams also acts as the Company's General Counsel. She is admitted to practice as a barrister and solicitor in the Supreme Court of Western Australia. Most recently she was counsel with an international law firm, based in Singapore, specialising in oil and gas transactions, particularly in the Asian region. As at the date of this report, Ms Williams is on parental leave and is intending to return in August 2013.

Mr Scott Blenkinsop has been appointed as Acting Company Secretary and General Counsel while Ms Williams is on parental leave. Mr Blenkinsop is admitted to practice as a barrister and solicitor in the Supreme Court of Western Australia. Mr Blenkinsop is a commercial lawyer specialising in energy and resources law.

6. Changes in State of Affairs

During the financial year, there was no significant change in the state of affairs of the Consolidated Entity other than as referred to in the financial statements or notes thereto.

7. Subsequent Events

Since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with within the financial report that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

8. Future Developments

The Consolidated Entity will continue to operate as an oil and gas exploration, production and gas marketing company with Manora production due to commence in early 2014. In accordance with its objectives, the Consolidated Entity intends to participate in a number of exploration and appraisal wells and new development projects, and will consider growing its exploration effort and production base by farm-in, permit application and/or acquisition within its existing operational focus areas and in other suitable countries or regions.

Disclosure of specific information regarding likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, such information has not been disclosed in this report.

9. Environmental Regulations

The Consolidated Entity's policy is to comply with, or exceed, its environmental obligations in each jurisdiction in which it operates. In Australia, the environmental obligations are regulated under both State and Federal law. No known environmental breaches have occurred in relation to the Consolidated Entity's operations.

The National Greenhouse and Energy Reporting Act 2007 requires certain companies to report their annual greenhouse gas emissions and energy use. As at the date of this report, the Company is not required to submit a report in relation to this matter.

10. Share Options and Rights

10.1 Share Options

The total number of share options (over ordinary shares) on issue at the date of this report is 335,000 down from 952,200 at the date of the previous report.

Details of share options on issue at the reporting date are:

Issuing entity	Number of shares under option	Exercise price of option[i]	Share price at 31/12/12	In/(Out) of the money at 31/12/12	Expiry date of options
Tap Oil Limited	335,000	$ 1.48	$0.62	($0.86)	15-Jul-13
	335,000				

(i) The exercise price of all options was adjusted for the 1 for 2 entitlement issue in 2010 in accordance with the terms and conditions of the options.

No options were issued during the financial year or up to the date of this report. The holders of options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

A total of 300,000 shares were issued during the financial year or up to the date of this report as a result of exercise of options.

The Company does not currently intend to issue any further options under still-existing option plans. The Company intends to provide remuneration and long term incentives through the share rights plan approved by shareholders in 2010 and described in section 12.4 of this report.

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10.2 Share Rights

Details of issued share rights as at the date of this report are as follows.

All rights noted below, except the performance rights issued on 1 October 2011 (expiring on 1 October 2018), a total of 288,197 of the performance rights issued on 16 January 2013 (expiring on 1 January 2020) and the 198,729 retention rights issued on 16 January 2013 (expiring on 13 December 2019), vest after three years and expire after seven years.

The performance rights issued by the Company on 1 October 2011 (expiring on 1 October 2018) have a two year performance period with average annual performance targets as per the current performance rights benchmarks over a one and two year period (50% against Absolute Total Shareholder Return and 50% against Relative Total Shareholder Return). A total of 288,197 of the performance rights issued on 16 January 2013 (expiring on 1 January 2020) have a two year performance period with average annual performance targets as per the current performance rights benchmarks over a two year period (50% against Absolute Total Shareholder Return and 50% against Relative Total Shareholder Return). The 198,729 retention rights issued on 16 January 2013 (expiring on 13 December 2019) vest on the earlier of 13 December 2013 and the announcement by the Company of the drilling results of the Starfish-1 well in the Offshore Accra Contract Area in Ghana. Further reference can be made to section 12.7 of this report.

Number	Expiry date of rights
Performance Rights	
906,123	01-Dec-17
1,394,518	01-Jan-18
646,737	01-Oct-18
3,395,446	01-Jan-19
3,907,627	01-Jan-20
Retention Rights	
8,090	07-May-17
14,925	30-Aug-17
383,360	01-Dec-17
121,693	01-Jan-18
142,027	10-Feb-18
132,290	02-Mar-18
71,023	01-Apr-18
106,566	02-May-18
14,541	09-May-18
36,240	16-May-18
11,608	18-Jul-18
36,145	19-Jul-18
36,012	01-Aug-18
38,096	24-Oct-18
194,445	01-Jan-19
12,950	28-May-19
25,353	17-Sep-19
198,729	13-Dec-19

11. Indemnification of Officers and Auditors

During the financial year, the Company paid a premium in respect of a policy insuring the Directors of the Company (as named above), the Company's secretaries and all executive officers of the Company and any related body corporate against a liability incurred as such a Director, secretary or officer to the extent permitted by the Corporations Act 2001. The policy of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

12. Remuneration Report - Audited

This report is presented in the following sections:

12.1 Introduction

The Directors of the Company have prepared this remuneration report to outline the overall remuneration strategy, policies and practices, which were adopted by the Company in 2012 and which utilise the share rights plan approved by shareholders in 2010. The report has been prepared in accordance with Section 300A of the Corporations Act 2001 and its regulations.

Tap's remuneration policy is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attraction and retention of employees and management to pursue the Company's strategy and goals;

(b) delivery of value-adding outcomes for the Company;

(c) fair and reasonable reward for past individual and Company performance; and

(d) incentive to deliver future individual and Company performance.

Remuneration consists of base salary, superannuation, short term incentives and long term incentives. Remuneration is determined by reference to market conditions and performance. Performance is evaluated at an individual level as well as the performance of the Company as a whole.

The remuneration policies and structure in 2012 were generally the same as for 2011.

12.2 Key Terms

Throughout this remuneration report, the following terms have the meaning indicated below:

Directors means the Managing Director/CEO and the Non-executive Directors.

Executives means the Managing Director/CEO and managers (including the Company Secretary) who report to the Managing Director/CEO.

Executive Directors means any Directors who are also executives. For this report, the only Executive Director was the Managing Director/CEO.

FAR means fixed annual remuneration or base salary (including superannuation).

Key Management Personnel or **KMP** is defined by AASB 124 Related Party Disclosures as all directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity.

KPI means key performance indicators determined by the Board.

LTI means long term incentive award which provides an incentive to deliver future Company performance.

STI means short term incentive award which provides a reward for performance in the past year.

12.3 Governance

12.3.1 The Remuneration Committee

The Remuneration Committee's role is to review and recommend remuneration for KMP, review remuneration policies and practices, Company incentive schemes and superannuation arrangements in accordance with the Remuneration Committee Charter.

The Committee considers independent advice, where circumstances require, on the appropriateness of remuneration to ensure the Company attracts, motivates and retains high quality people.

Each of t... below.

(a) T...

The ASX Listing Rules and the Constitution require that the maximum aggregate amount of remuneration to be allocated among the Non-executive Directors be approved by shareholders in general meeting. In proposing the maximum amount for consideration by shareholders, and in determining the allocation, the Remuneration Committee takes account of the time demands made on Directors and such factors as fees paid to Non-executive Directors in comparable Australian companies.

The Remuneration Committee comprises a Non-executive Chairman and two Non-executive Directors. The Committee meets formally at least once a year and also has numerous workshop sessions during the year. Executive Directors attend meetings as appropriate.

Remuneration arrangements for Directors and Executives are reviewed by the Remuneration Committee and recommended to the Board for approval. The Remuneration Committee considers external data and information and may engage independent advisers where appropriate to establish market benchmarks.

Remuneration arrangements are determined in conjunction with the annual review of the performance of Directors, Executives and employees of the Company. Performance of the Directors of the Company including the Managing Director/CEO, are evaluated by the Board assisted by the Remuneration Committee. The Managing Director/CEO reviews the performance of Executives with the Remuneration Committee. These evaluations take into account criteria such as the achievement toward the Company's performance benchmarks and the achievement of individual performance objectives.

12.3.2 Individuals covered by the Remuneration Report

The detailed disclosures of the remuneration report relate to the KMP of the Company as defined in section 12.2 and listed below:

Non-executive Directors - current

- D W Bailey (Chairman) – appointed Chairman 31 March 2012
- M J Sandy
- D A Schwebel – appointed 16 February 2012

Non-executive Director – former

- N F Taylor (Chairman) - resigned 31 March 2012
- P B Lane - resigned 16 February 2012

Executives - current

- T J Hayden (Managing Director/CEO)
- B M Ulmer (Engineering and Development Manager)
- D J Rich (Chief Financial Officer)
- M J Williams (General Counsel/Company Secretary) - appointed 10 February 2011
- T M Schmedje (Exploration/New Ventures Manager) - appointed 2 March 2011
- A C Sudlow (Commercial Manager) - appointed 2 May 2011
- A N Patterson (Business Development Manager) - appointed 1 January 2012

12.4 Existing Remuneration Arrangements for Directors and Executives

12.4.1 Overview of Executive Remuneration Structure

The remuneration arrangement for Directors and Executives of the Company for the year ended 31 December 2012 is summarised below.

The remuneration structure in place for 2012 applies to all employees including Executive Directors and Executives of the Company. The Company's remuneration structure has five elements:

(a) FAR;

(b) STI;

(c) LTI;

(d) retention incentives which encourage new employees to remain in employment for at least 3 years; and

(e) special awards which reward individuals for meritorious achievements or retain individuals who are involved in a critical task that will extend more than one year.

Each of the STI, LTI, retention incentives and special awards are at risk. The elements of which are described below.

(a) Base Salary or Fixed Annual Remuneration (FAR)

The first step to attracting and retaining talented, qualified and effective employees is paying base salaries which are competitive in the markets in which the Company operates. The Company compiles competitive salary information on companies of comparable size in the oil and gas industry from various sources. Information is obtained from surveys conducted by independent consultants and national and international publications. In the past the Board has engaged independent advisors to review the remuneration levels paid to the Company's KMP. An advisor was not retained for the 2012 review.

FAR will be paid in cash and is not at risk other than by termination. Individual FAR is set each year based on job description, competitive salary information sourced by the Company and overall competence in fulfilling the requirements of the particular role.

(b) Short Term Incentive Awards (STI)

An STI award is assessed by a performance-based factor multiplied by a benchmark award for the individual's level in the Company multiplied by the individual's FAR. The award is to be made 100% in cash and the amount of the payment is calculated by the following formula:

Performance Factor x STI Organisational Level Benchmark x Individual's FAR

An individual employee's performance factor is assessed against both the individual's performance and the Company's performance over the preceding year. A rating for individual performance is determined on a scale of 1 to 5 based on how well the individual performs against the individual's annual goals. The Company's performance is assessed against a set of corporate goals, which are in the form of KPIs, which are set by the Board for a given year. In 2012, the KPIs included performance against budgeted earnings before interest, tax, depreciation, amortisation and exploration expenses (EBITDAX), 12 month relative total shareholder return against a peer group of companies, asset management and the achievement of key strategic objectives set for the year. Each KPI is given a relative weighting and is assessed against threshold, good (target) and excellent benchmarks. The Board will vary KPIs each year to suit prevailing circumstances.

Any award will be subject to the Company exceeding one or more fundamental performance hurdles determined by the Board on an annual basis. While a positive STI award might be assessed under a previously prescribed set of KPIs, circumstances within the year might see a reduction in the Company's ability or desire to pay such an award due to an unexpected material reduction in the Company's cash flow. The Board, at its absolute discretion, reserves the right to withhold the making of any STI awards if it finds itself in such a position.

An individual's combined performance factor is determined from the assessment table below:

Performance Factors (%)

Annual Corporate KPI Performance	Individual Performance Ranking 5	4	3	2	1
< Threshold	0%	0%	0%	0%	0%
Threshold	0%	20%	50%	63%	75%
Good	0%	40%	100%	125%	150%
≥ Excellent	0%	60%	150%	188%	225%

Three STI organisational level benchmarks have been established as percentages of individual FARs. These three levels reflect the increased involvement at each level in the organisation's pursuit and achievement of the Company's goals. These benchmarks are set out below.

Organisational Level	Managing Director/CEO	Management	Professional, Technical & Support
STI Organisational Benchmarks	20%	15%	12.5%

(c) Long Term Incentive Awards (LTI)

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders.

LTI awards are made in the form of rights to shares which will have a vesting timeframe of three years. The number of rights that vest will be based on the Company's performance over the same three years.

An LTI award will be made by way of the grant of performance rights as soon as practicable after each year-end. Grants of performance rights will be made each year with effect from 1 January.

The number of performance rights to be granted annually to each employee is calculated by the following formula:

LTI Organisational Level Benchmark x Individual's FAR ÷ Share Price

Three maximum LTI organisational benchmarks have been established as percentages of individual FARs. These three levels reflect the increased involvement of each level in pursuing and achieving the Company's goals. These benchmarks are set out in the following table.

Organisational Level	Managing Director/CEO	Management	Professional, Technical & Support
LTI Organisational Level Benchmarks	120%	70%	30%

The total number of performance rights granted is subject to being reduced proportionately so that the total number of performance rights is within:

(a) the Board's determined cap on the total number of performance rights which are issued as LTI awards in a given year; and

(b) any discretionary cap on the total number of rights on issue at any given time.

The calculation will use the 30-day volume-weighted average share price (VWAP) of the Company's shares preceding the first day of each measurement period.

The Board has established an initial guideline that the total number of performance rights to be issued in a single year will be capped at 1.5% of the fully paid issued capital of the Company as at the end of the prior year. In the event that the potential total number of performance rights exceeds the cap then all awardees receive a pro-rata reduced number of performance rights. This cap is at the discretion of the Board and may be altered depending on the prevailing context.

Vesting of up to 50% of the performance rights depends upon the Company's absolute total shareholder return (ATSR) over three years and up to 50% depends upon relative total shareholder return (RTSR). The ATSR and RTSR performance hurdles required to achieve increasing levels of vesting are set by the Board to apply from 1 January of the relevant year. For the 2012 grant of performance rights, the Board set the following ATSR and RTSR performance hurdles:

Assess 50% of Rights Against ATSR	
Average Annual ATSR over 3 years	% of Rights which will vest after 3 years
<5%	0%
=5%	12.5%
=15%	25%
≥25%	50%

Assess 50% of Rights Against RTSR	
Relative TSR (Relative Percentile Ranking of TSR against peers over 3 years)	% of Rights which will vest after 3 years
<P50%	0%
=P50%	12.5%
=P62.5	25%
≥P75%	50%

Note: For actual results between above benchmarks, the vesting of performance rights will be on a pro-rata basis.

The combination of ATSR and RSTR measures have been chosen to cover a range of outcomes which can deserve reward but may show up better under one measure but not under the other. The reward for strong absolute return is moderated in the event that there is a poorer relative return and the award for strong relative return is moderated in the event the absolute return is poorer. ATSR is used rather than earnings per share (EPS), as in the Board's view, EPS would shift the key focus away from the Company's long-term business which includes exploration. However, the Company has and does use an earnings measure as one of its short-term KPIs to ensure attention is paid to meeting forecast annual production and cost management targets.

Vesting characteristics of the performance rights are as follows:

(i) performance measurement period is three years, which is consistent with the typical time cycle for an exploration program and the Company's strategic emphasis on exploration;

(ii) performance is based on differences in ATSR and RTSR as measured from the end of one preceding period to the end of the current (three years) assessment period. The ATSR and RTSR use the 30-day VWAP of the Company's shares up to and including the last day of each measurement period; and

(iii) RTSR will be assessed against a peer group of like companies determined by the Board before the start of each assessment period or as soon as practical thereafter. In 2012, the Company used a group of approximately 30 petroleum industry companies which are listed on the ASX and whose market capitalisation ranged from approximately $3 million to $1,870 million (at 31 December 2012).

(d) Retention Incentives

Retention rights are issued to employees pursuant to the terms of the share rights plan upon or as soon as practicable after commencement of employment. Such rights vest if the employee remains employed by the Company for three years. The number of retention rights to be issued to a new employee is set at one of three levels reflecting the organisational level appropriate for the employee's initial job grade. These levels are outlined in the following table.

Organisational Level	Managing Director/CEO	Management	Professional, Technical & Support
Organisational Level Benchmarks (Retention)	Subject to initial employment contract negotiations	35%	15%

(e) Special Awards

The Board has the discretion to make special awards each year. Special awards can be in the form of cash, and/or performance rights and/or retention rights. Special awards are granted to individual employees or Executives who are judged by the Board to have made an extraordinary contribution to the current or future performance of the Company or who are expected to play a critical role in one of the Company's activities that could take two to three years to complete, and where retention of the individual's services is seen as an important determinant of the success to that activity.

(f) Accounting for Options and Rights Granted to Employees

The values of the rights and options are expensed in the profit and loss account over the vesting period. No options were granted in 2012.

Performance rights granted in 2012 are valued at the date of grant using a Monte Carlo Simulation model to determine the probability of the absolute return performance hurdles and the relative return performance hurdles being achieved. Retention rights granted in 2012 are valued using the Black Scholes model at the date of grant. No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done unless and until the rights or options have vested and the shares issued.

(g) Executive Directors Remuneration

As at 31 December 2012, T J Hayden was the only Executive Director on the Board. Mr Hayden commenced as Managing Director/CEO on 1 December 2010 under an executive employment agreement. The term of the executive employment agreement expires on 31 December 2013 and thereafter the term may be extended for periods of one year by mutual agreement. The level of remuneration is reviewed annually at the Board's discretion and cannot increase by less than CPI each year.

The Executive Director may terminate his executive employment agreement by giving six months notice in writing, or such shorter period as may be agreed. Except for the Company's right to terminate without notice in prescribed circumstances, the Company may terminate the Executive Director's employment as follows:

(i) by giving Mr Hayden the lesser of 12 months written notice or notice equal to the balance of the term (or payment in lieu); or

(ii) by providing either 1 month's written notice, if by reason of any illness, injury or incapacity, Mr Hayden is unable to perform his duties for a total of three months in any period of 12 months.

A range of other terms and conditions apply to both Mr Hayden and the Company.

Pursuant to shareholder approval obtained at the 2011 AGM, Mr Hayden is eligible to receive a maximum of 3,300,000 share rights under the share rights plan over the initial three year period, on the terms and conditions set out in the Explanatory Statement which accompanied the 2011 Notice of AGM. As at the date of this report, Mr Hayden has been granted the full amount of rights approved.

The Company has entered into a deed of indemnity, insurance and access with Mr Hayden whereby the Company will maintain an appropriate level of directors' and officers' indemnity insurance and provide access to Company records.

(h) Executives

A summary of the key terms and conditions of the service agreements with Executives are as follows:

Remuneration

All service agreements now standardise the Executive's entitlement to:

(i) FAR (refer section 12.4.1(a) of this report);

(ii) STI (refer to section 12.4.1(b) of this report);

(iii) LTI (refer to section 12.4.1(c) of this report); and

(iv) any other benefits that may be provided by the Company including special awards (refer section 12.4.1(e) of this report).

Termination

All service agreements may be terminated under the following circumstances:

(i) resignation on three months' notice by the Executive;

(ii) termination on three months' notice by the Company; or

(iii) termination without notice by the Company for cause.

In the event of a redundancy or defined change in circumstances, the Executive was previously entitled to severance pay of up to 16 weeks depending on length of service. In October 2011, the Board reviewed the termination provisions of all employees in light of retention issues brought about by the competitive Western Australian and South East Asian petroleum industry employment market and the difficult and volatile financial markets. Following this review, it was resolved that for the period up to and including 31 December 2013, each Executive and employee (but excluding Directors) is entitled (to the extent permitted by the Corporations Act and the ASX Listing Rules) to receive 52 weeks of salary (FAR) if his or her position becomes redundant, or changes in a manner materially adverse to the employee, within six months of a takeover, merger, scheme of arrangement and/or change of control of the Company. These modified termination payment provisions cease on 31 December 2013 and the previously existing employment contract termination payment provisions will re-apply.

The Company has entered into deeds of indemnity, insurance and access with D Rich and M Williams whereby the Company will maintain an appropriate level of directors' and officers' indemnity insurance and provide access to Company records.

(i) Non-executive Directors' Remuneration

In line with Corporate Governance principles, Non-executive Directors of the Company are remunerated solely by way of fees and statutory superannuation. The annual fee is set to reflect current market levels based on the time, responsibilities and commitments associated with the proper discharge of their duties as members of the Board. All Directors of the Company are encouraged to apply a proportion of their fees to purchase shares in the Company. The maximum total pool of available fees is set by shareholders in general meeting and is currently $500,000.

Other than statutory superannuation, Non-executive Directors of the Company are not entitled to any retirement benefits upon retirement from office.

The Company has entered into terms of engagement with each of D W Bailey, M J Sandy and D A Schwebel whereby those persons are appointed as Non-executive Directors of the Company. The term of the appointment is determined in accordance with the Company's Constitution and is subject to the provisions of the Constitution dealing with retirement, re-election and removal of Directors of the Company (in this regard, the Constitution provides that all Directors of the Company, other than the Managing Director/CEO, are subject to re-election by shareholders by rotation every three years during the term of their appointment).

The terms of engagement provide that the Company will maintain an appropriate level of directors' and officers' insurance and provide access to Company records in accordance with the terms of deeds of indemnity, insurance and access entered into between the Company and each of the Non-executive Directors.

The remuneration payable by the Company to Non-executive Directors is shown in the relevant tables.

12.5 Elements of Remuneration related to Performance

The Corporations Act requires disclosure of the Company's remuneration policy to contain a discussion of the Company's earnings and performance and the effect of the Company's performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five year financial summary to 31 December 2012:

12 months ended	Dec 12	Dec 11	Dec 10	Dec 09	Dec 08
NPAT ($million)	(3.5)	(28.9)	(61.4)	6.7	(7.5)
EPS (cents) *Basic (note 1)*	(1.5)	(12.0)	(35.8)	4.3	(4.8)
EPS (cents) *Diluted (note 1)*	(1.5)	(12.0)	(35.8)	4.3	(4.8)
Year end share price ($)	0.62	0.60	0.83	1.17	0.77
Shares on Issue (million)	241.3	241.0	241.0	156.5	156.5
Market Capitalisation ($million)	149.6	144.6	200.0	183.1	120.5

1. No dividends were paid during any of the financial years.

Key Performance Indicators (KPI) Assessment for 2012

For the 2012 year, the Board determined a set of Company KPIs, reflecting the Company's strategies, business plan and budget. The KPIs and performance against them are set out below:

1. **Performance against budgeted earnings before interest, tax, depreciation or exploration (EBITDAX)**
   Tap exceeded the threshold and fell just short of the budget EBITDAX target.
2. **Performance against 12 month relative total shareholder return (RTSR) against a peer group of companies**
   Tap's share price improved slightly over the year and Tap ended up ranked 16th out of the 28 peer companies used to assess Tap's RTSR.
3. **Performance against asset management goals**
   Under this measure, the Board considers improvements in Tap's portfolio of assets and liabilities. During the year the major achievements that led to an excellent rating were the sale of HJV, including the litigation and abandonment liability, the sale of WA-191-P, FID on the Manora oil development and farming down its interest in the Ghana permit to a high-quality operator.
4. **Performance against key strategic objectives set for the year**
   The Board considered the outcome to be good given the level of exploration and business development opportunities evaluated and taken forward to bid/offer stage, including Merlinleigh and several others which are still in progress.

The Board assigned an overall performance rating of 3.09% below the targeted level of 100%. This rating drives KMP and employee STI awards, which are included in the table on page 18, and were paid in early 2013.

12.6 KMP Remuneration related to Performance

FAR for all employees is based on comparisons to similar positions in peer companies and is reviewed annually. An individual's performance will have a strong influence on any annual increase, as will any changes in job responsibilities.

The elements of remuneration shown in the columns labelled "Bonus" and "Share-based payment equity settled" in the tables below are related to Company and individual performance. The elements of remuneration shown in the remaining columns are not performance related. The performance conditions used in the determination of performance-based remuneration for Executive Directors and Executives of the Company are explained in detail in the discussion on remuneration policy in this remuneration report. Except as noted above, the cash bonuses shown in the 2012 remuneration table below were awarded based on performance for the 2012 financial year. The value of options, shares and rights shown in the tables below are the accounting costs accrued in the financial year for grants in the financial year or in previous financial years. No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done unless and until the rights or options have vested and the shares issued. No cash bonus awards were forfeited because the person did not meet the relevant service or performance conditions. Non-executive Directors of the Company received fixed remuneration only.

Managing Director/CEO

The Company entered into an executive employment agreement with Mr Hayden as set out in section 12.4(g) of this report. Under that agreement, Mr Hayden's FAR, with effect from 1 January 2013, was increased by 8.3% to $650,000 per annum (inclusive of superannuation) based on his performance assessment, cost of living adjustments and comparison to remuneration paid to Managing Directors and Chief Executive Officer's in peer companies. The Board rated Mr Hayden's performance as a level 2 given his influence on the Company's achievements noted above under the KPIs. This rating was a major factor in Mr Hayden's bonus (STI) and performance rights granted (special award) as set out below and in accordance with the Company's remuneration policy:

- the $145,380 shown in the "Bonus" column is an STI payment for the 2012 year as per his contract; and
- the 1,102,735 LTI rights granted in 2013 following the 2012 year-end review.

Following the award of the above referenced 1,102,735 LTI rights, Mr Hayden has received the full 3,300,000 rights limit approved by shareholders in 2011.

12.7 Other Elements of Director and Executive Remuneration

Remuneration packages contain the following key elements:

(a) Short term employee benefits – salary/fees, bonuses and non-monetary benefits, such as car parking.

(b) Post-employment benefits – including superannuation, prescribed retirement benefits and retirement gifts.

The remuneration of the key management personnel of the Consolidated Entity and the Company is set out below:

2012	Short-term employee benefits				Post employment	Other long-term employee benefits	Share-based payment equity settled			Total
	Salary & fees $	Bonus $	Non-monetary $	Other (iv) $	Super-annuation $	$	Options (i) $	Rights (ii) $	Shares (iii) $	$
Non-executive Directors - current										
D W Bailey	136,468	-	-	-	12,282	-	-	-	-	148,750
M J Sandy	53,612	-	-	-	31,388	-	-	-	-	85,000
D A Schwabel	68,084	-	-	-	6,128	-	-	-	-	74,212
Non-executive Director - Former										
N F Taylor	12,500	-	-	-	30,000	-	-	-	-	42,500
P B Lane	-	-	-	-	11,115	-	-	-	-	11,115
Executives - current										
T J Hayden	574,677	145,380	4,679	-	25,323	-	-	184,770	-	934,829
B M Ulmer	453,877	71,446	4,679	-	37,500	-	-	74,815	-	642,317
D J Rich	380,810	73,799	4,679	-	25,346	-	-	139,240	-	623,874
M J Williams	328,100	64,158	4,679	-	25,000	-	-	68,222	-	490,159
T M Schmedje	374,347	158,015	4,679	-	24,653	-	-	112,350	-	674,044
A C Sudlow	212,419	51,181	4,679	-	25,323	-	-	58,023	-	351,625
A N Patterson	333,877	50,890	4,679	-	16,123	-	-	54,509	-	460,078
	2,928,771	614,869	32,753	-	270,181	-	-	691,929	-	4,538,503

2011	Short-term employee benefits				Post employment	Other long-term employee benefits	Share-based payment equity settled			Total
	Salary & fees	Bonus	Non-monetary	Other (iv)	Super-annuation		Options (i)	Rights (ii)	Shares (iii)	
	$	$	$	$	$	$	$	$	$	$
Non-executive Directors - current										
N F Taylor	149,472	-	-	-	20,528	-	-	-	-	170,000
M J Sandy	74,862	-	-	-	10,138	-	-	-	-	85,000
D W Bailey	77,982	-	-	-	7,018	-	-	-	-	85,000
Non-executive Director - Former										
P B Lane	28,246	-	-	-	56,754	-	-	-	-	85,000
Executives - current										
T J Hayden	549,513	203,626	4,667	-	15,487	-	-	156,082	-	929,375
B M Ulmer	431,308	85,552	4,667	-	43,453	-	1,324	23,403	101	589,808
D J Rich	360,586	101,652	4,667	-	15,487	-	-	47,296	-	529,688
M J Williams	271,998	77,222	4,143	-	18,389	-	-	38,107	-	409,859
T M Schmedje	204,023	102,714	3,900	-	47,178	-	-	62,056	-	419,871
A C Sudlow	132,383	28,970	3,107	-	10,421	-	-	24,934	-	199,815
Executives - former										
J P Scibiorski	87,231	-	1,253	169,444	10,860	-	597	-	46	269,431
R A Cassie	197,955	-	2,776	198,028	32,416	-	1,042	-	80	432,297
D A Neaves	231,616	-	2,928	42,903	9,656	77,480	1,908	-	128	366,619
	2,797,175	599,736	32,108	410,375	297,785	77,480	4,871	351,878	355	4,571,763

(i) The options have been valued using the Black Scholes model. No options were granted in the 2012 or 2011 financial years. The values shown in the 2011 financial year relates to options granted in previous years where the fair value is expensed over the vesting period.

(ii) Under the rights column, performance rights have been valued using a Monte Carlo Simulation model and retention rights have been valued using the Black Scholes model. Further details of the share rights plan is contained in note 22.

(iii) Shares were previously bought on market for KMP, pursuant to the Tap Employee and Director Share Plan, as part of their remuneration. No shares were purchased in the 2012 or 2011 financial years. The values shown in the 2011 financial year relates to share purchased in previous years where the purchase value is expensed over the vesting period.

(iv) These amounts relate to payments due under contracts for accrued leave, past services, in lieu of notice and ex-gratia payments.

Rights over Equity Instruments Granted

The following performance rights and retention rights over ordinary shares were granted to KMP during the reporting period. These were granted as remuneration unless otherwise noted. The rights granted have no exercise price, are exercisable from the date of vesting and the details of vesting periods are set out in note 22. All rights expire on the earlier of their expiry date or termination of the individual's employment. A total of 176,990 of the performance rights granted to KMP vested during the reporting period (2011: nil) and 219,840 lapsed (2011: nil). None of the retention rights granted to KMP vested during 2012 or 2011.

No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done unless and until the rights have vested and the shares issued.

2012	Number of performance rights granted during 2012 (i)	Number of retention rights granted during 2012 (i)	Grant date (performance rights)	Grant date (retention rights)	Fair value per performance right at grant date	Fair value per retention right at grant date	Value of rights granted during the year	Financial year in which rights vest	Expiry date	Number of rights vested during 2012 (ii)
Non-executive Directors - current										
D W Bailey	-	-	-	-	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-	-	-	-	-
D A Schwebel	-	-	-	-	-	-	-	-	-	-
Non-executive Director - former										
N F Taylor	-	-	-	-	-	-	-	-	-	-
P B Lane	-	-	-	-	-	-	-	-	-	-
Executives - current										
T J Hayden	907,782	-	07-Mar-12	-	0.10	-	87,601	2015	01-Jan-19	-
B M Ulmer	444,983	-	07-Mar-12	-	0.10	-	42,939	2015	01-Jan-19	-
D J Rich	79,366	-	01-Mar-12	-	0.19	-	15,308	2012	01-Oct-18	35,398
D J Rich	79,366	-	01-Mar-12	-	0.13	-	10,643	2013	01-Oct-18	-
D J Rich	352,467	-	07-Mar-12	-	0.10	-	34,013	2015	01-Jan-19	-
M J Williams	79,366	-	01-Mar-12	-	0.19	-	15,306	2012	01-Oct-18	35,398
M J Williams	79,366	-	01-Mar-12	-	0.13	-	10,643	2013	01-Oct-18	-
M J Williams	267,759	-	07-Mar-12	-	0.10	-	25,839	2015	01-Jan-19	-
T M Schmedje	356,150	-	07-Mar-12	-	0.10	-	34,368	2015	01-Jan-19	-
A C Sudlow	79,368	-	01-Mar-12	-	0.19	-	15,306	2012	01-Oct-18	35,398
A C Sudlow	79,366	-	01-Mar-12	-	0.13	-	10,643	2013	01-Oct-18	-
A C Sudlow	120,566	-	07-Mar-12	-	0.10	-	11,635	2015	01-Jan-19	-
A N Patterson	-	194,445	-	07-Mar-12	-	0.84	163,528	2015	01-Jan-19	-

(i) Each right entitles the holder to one share in the Company upon vesting.
(ii) Relates to rights granted during the current reporting period.

2011	Number of performance rights granted during 2011 (iii)	Number of retention rights granted during 2011 (iii)	Grant date (performance rights)	Grant date (retention rights)	Fair value per performance right at grant date	Fair value per retention right at grant date	Value of rights granted during the year	Financial year in which rights vest	Expiry date	Number of rights vested during 2011 (iv)
Non-executive Directors - current										
N F Taylor	-	-	-	-	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-	-	-	-	-
D W Bailey	-	-	-	-	-	-	-	-	-	-
Non-executive Director - former										
P B Lane	-	-	-	-	-	-	-	-	-	-
Executives - current										
T J Hayden	906,123	383,360	18-May-11	18-May-11	0.17	0.81	468,437	2013	01-Dec-17	-
B M Ulmer	380,745	-	31-Jan-11	-	0.15	-	58,635	2014	01-Jan-18	-
B M Ulmer	79,366	-	29-Nov-11	-	0.19	-	15,306	2012	01-Oct-18	-
B M Ulmer	79,366	-	29-Nov-11	-	0.13	-	10,643	2013	01-Oct-18	-
D J Rich	293,136	121,693	31-Jan-11	31-Jan-11	0.15	0.80	141,889	2014	01-Jan-18	-
M J Williams	-	142,027	-	25-Feb-11	-	0.90	128,392	2014	10-Feb-18	-
T M Schmedje	97,846	-	31-Jan-11	-	0.15	-	15,068	2014	01-Jan-18	-
T M Schmedje	79,366	-	29-Nov-11	-	0.19	-	15,306	2012	01-Oct-18	-
T M Schmedje	79,366	-	29-Nov-11	-	0.13	-	10,843	2013	01-Oct-18	-
T M Schmedje	-	132,290	-	19-May-11	-	0.93	122,501	2014	02-Mar-18	-
T M Schmedje	-	71,023	-	19-May-11	-	1.06	75,000	2014	01-Apr-18	-
A C Sudlow	-	106,566	-	19-May-11	-	1.05	112,001	2014	02-May-18	-
Executives - former										
J P Scibiorski(v)	279,659	-	31-Jan-11	-	0.15	-	43,067	2014	01-Jan-18	-
R A Cassie(v)	302,464	-	31-Jan-11	-	0.15	-	46,579	2014	01-Jan-18	-
D A Neaves(v)	298,324	121,693	31-Jan-11	31-Jan-11	0.15	0.80	142,888	2014	01-Jan-18	-

(iii) Each right entitles the holder to one share in the Company upon vesting.
(iv) Relates to rights granted during the current reporting period.
(v) 100% of rights granted were forfeited upon resignation.

The following table summarises the value of rights that have vested or lapsed during the financial year:

2012	Number of rights vested	Value of rights vested at vesting date	Number of rights lapsed	Value of rights lapsed at the date of lapse	Number of ordinary shares issued as a result of vesting	Amount paid	Amount unpaid
Non-executive Directors - current							
D W Bailey	-	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-	-
D A Schwebel	-	-	-	-	-	-	-
Non-executive Director - former							
N F Taylor	-	-	-	-	-	-	-
P B Lane	-	-	-	-	-	-	-
Executives - current							
T J Hayden	-	-	-	-	-	-	-
B M Ulmer	35,398	25,841	43,968	32,097	35,398	-	-
D J Rich	35,398	25,841	43,968	32,097	35,398	-	-
M J Williams	35,398	25,841	43,968	32,097	35,398	-	-
T M Schmedje	35,398	25,841	43,968	32,097	35,398	-	-
A C Sudlow	35,398	25,841	43,968	32,097	35,398	-	-
A N Patterson	-	-	-	-	-	-	-
	176,990	129,205	219,840	160,485	176,990	-	-

2011

No rights vested or lapsed during 2011.

Value of Rights – Basis of Calculation

The value of performance rights at the grant date is calculated as the fair value of the rights at grant date, using the Monte Carlo Simulation model, multiplied by the number of rights granted.

The value of retention rights at the grant date is calculated as the fair value of the rights at grant date, using the Black Scholes model, multiplied by the number of rights granted.

The value of rights included in remuneration for the year is calculated in accordance with Australian Accounting Standards. This requires the value of rights to be determined at grant date and thereafter included in remuneration for the year based proportionately on the vesting period. Where the rights vest fully in the year, the full value of the rights is recognised in remuneration for that year.

No adjustment is made to the value included in remuneration or the financial results where the right ultimately has a lesser or greater value than as at the date of grant. The inputs into the fair value calculation of the rights granted are set out in note 22 of the financial statements.

Options over Equity Instruments Granted

No options were granted to KMP, vested or were exercised by KMP during the 2012 financial year. No options issued to KMP lapsed during the 2012 financial year. No options were issued in the 2011 financial year.

A total of 300,000 shares were issued during 2012 as a result of a notice received on 24 November 2011 for the exercise of 300,000 options issued under the Tap Oil Management Incentive Option Plan. At the time of providing the notice, the KMP was prohibited from trading in the Company's securities under the Company's Dealings in Securities Policy due to the possession of price sensitive information. The shares were issued in 2012 after the prohibition was lifted. As at 24 November 2011, the share price was $0.63 and the exercise price was $0.61, therefore the value of the options was $6,000.

No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done unless and until the options have been exercised and the shares issued.

The following table summarises the proportion of remuneration comprised of share-based payment expenses for the 2012 financial year:

	% of remuneration for the year consisting of rights
Non-executive Directors - current	
D W Bailey	-
M J Sandy	-
D A Schwebel	-
Non-executive Directors - former	
N F Taylor	-
P B Lane	-
Executives - current	
T J Hayden	19.8%
B M Ulmer	11.6%
D J Rich	22.3%
M J Williams	13.9%
T M Schmedje	16.7%
A C Sudlow	16.5%
A N Patterson	11.8%

Discretionary Cap on Total Number of Rights

The Board maintains a discretionary guideline cap on the total number of all performance and retention rights on issue to employees and Executives. Currently the Board has set this cap at 6% of the number of issued fully paid shares in the Company. This cap provides a margin to cover the issue of rights above the 4.5% maximum level of rights that may be issued over the three year vesting period of such rights at the guideline maximum rate of 1.5% per annum. The Board will inform shareholders of exceptions or changes to these guidelines should they occur.

Existing options (the last of the options will expire in 2013 if not exercised before that time) are not included in the calculation of this cap.

The Board is of the view that such a cap significantly reduces the potential for material dilutionary effects of issues of rights at low share prices.

A total of 3,524,254 performance rights were issued during the year, effective 1 January 2012, being the 2011 award of LTI performance rights. At the time, the number awarded was scaled back by 16% to 1.46% of the shares on issue at the time and under the policy guideline cap of 1.5%.

A further 232,748 retention rights were issued during the year.

The total number of performance and retention rights on issue at 31 December 2012 was 8,857,048. This number equalled 3.67% of shares on issue at that time which is under the policy guideline cap of 6%.

The 2012 award of 3,907,627 LTI performance rights was granted on 16 January 2013. The award has effect from 1 January 2013 and was pro-rated back by 27% to 1.5% of the shares on issue.

The total number of rights on issue at the time of this report is 11,834,538 which equals 4.90% of shares on issue at the time of this report.

13. Non-Audit Services

The Directors of the Company are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 25 to the financial statements.

14. Auditor's Independence Declaration

The auditor's independence declaration is included on page 24 of the financial report.

15. Rounding off of Amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in the Directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors of the Company made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors of the Company

D W Bailey
Chairman

West Perth, Western Australia
28 February 2013

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ 004655

အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန

ကုမ္ပဏီမှတ်ပုံတင်လက်မှတ်

အမှတ် ...၁၇၂၉... / ၂၀၁၂-၂၀၁၃

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေအရ ...စမတ် အီးအင် (န်) ပီ အင်တာနေရှင်နယ် ကုမ္ပဏီ လီမိတက်... အား ပေးရန်တာဝန် ကန့်သတ်ထားသော လီမိတက် ကုမ္ပဏီအဖြစ် ၂၀၁၂ နှစ်၊ ...သြဂုတ်... လ၊ ၁ ... ရက်နေ့တွင် မှတ်ပုံတင်ခွင့်ပြုလိုက်သည်။

စက်မှု*/ထုတ်လုပ်မှု
INDUSTRIAL,PRODUCTION

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)
(နန်းရီရီသန်း ၊ ညွှန်ကြားရေးမှူး)

ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန

THE GOVERNMENT OF THE REPUBLIC OF THE UNION OF MYANMAR
MINISTRY OF NATIONAL PLANNING AND ECONOMIC DEVELOPMENT

CERTIFICATE OF INCORPORATION

NO. ......1729...... of 2012-2013

I hereby certify that ......SMART E & P INTERNATIONAL...... COMPANY LIMITED ...... is this day incorporated under the Myanmar Companies Act and that the company is Limited.

Given under my hand at Nay Pyi Taw this ......FIRST...... day of ......AUGUST, TWO THOUSAND AND TWELVE......

စက်ရုံအဆောက်အအုံတည်ရှိရာအရပ်သည်
စက်မှုလက်မှုဇုန်တွင်ဖြစ်စေရမည်
(သို့မဟုတ်)လူနေရပ်ကွက်နှင့်ဝေး
လွတ်ရာအရပ်၌ဖြစ်စေရမည်။

For Director General
(Nang Yi Yi Than, Director)

Directorate of Investment and Company Administration

ကုမ္ပဏီနှင့်သက်ဆိုင်သည့်အချက်အလက်များ

(က) အုပ်ချုပ်မှုဒါရိုက်တာအမည်၊ ဦးကျော်ကျော်လှိုင် (၁၂/စခန(နိုင်) ၀၅၆၀၀၈)

(ခ) ကုမ္ပဏီ ရုံးခန်းလိပ်စာ၊ မြို့တော်ဘဏ်တိုက်၊ (၅)လွှာ၊ ဗညားဒလလမ်း၊ မင်္ဂလာတောင်ညွန့်မြို့နယ်၊ ရန်ကုန်မြို့။

(ဂ) ဆက်သွယ်ရန် ဖုန်းနံပါတ်၊ ၀၉-၈၆၁၆၇၃၀၊ ၀၉-၈၆၁၆၇၃၁

(ဃ) ဒါရိုက်တာများ အမည်စာရင်း–

(၁) ဒေါ်ရတနာစုလှိုင်
၁၂/ မဟန(နိုင်) ၀၉၂၉၀၆

(၂) ဦးချစ်ညီညီလှိုင်
၁၂/ဗဟန(နိုင်) ၀၈၈၃၇၉

မှတ်ချက်။ (၁) ဤကုမ္ပဏီမှတ်ပုံတင်လက်မှတ်သည်မှတ်ပုံတင်ရက်စွဲ(၁-၈-၂၀၁၂)မှ (၃၁-၇-၂၀၁၅)ရက်နေ့အထိ(၃)နှစ်သက်တမ်းအတွက်သာ ဖြစ်သည်။ သက်တမ်း မကုန်ဆုံးမီ (၃)လအလိုတွင် သက်တမ်းတိုးရန် ရင်းနှီးမြှုပ်နှံမှုနှင့် ကုမ္ပဏီများ ညွှန်ကြားမှု ဦးစီးဌာနသို့ လျှောက်ထား ရမည်။

(၂) ကုမ္ပဏီ အနေဖြင့် သင်းဖွဲ့မှတ်တမ်းတွင်အဆိုပြု တင်ပြထားသော လုပ်ငန်းရည်ရွယ်ချက်များကိုသာ လုပ်ကိုင်ရမည်။

(၃) သင်းဖွဲ့မှတ်တမ်းပါ ရည်ရွယ်ချက်များသည် သက်ဆိုင်ရာ ပြည်ထောင်စုဝန်ကြီးဌာန၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ လုပ်ထုံးလုပ်နည်း များနှင့်အညီ ခွင့်ပြုချက် ရရှိမှသာ ဆောင်ရွက်ခွင့် ရှိမည် ဖြစ်ပါသည်။

(၄) လုပ်ငန်းရည်ရွယ်ချက် ပြောင်းလဲ လုပ်ကိုင်လိုပါက ပြောင်းလဲ လုပ်ကိုင်လိုသည့် လုပ်ငန်း ရည်ရွယ်ချက်များအား သင်းဖွဲ့မှတ်တမ်းတွင် ပြင်ဆင်မှတ်ပုံတင်ရန်အတွက် ဒါရိုက်တာအဖွဲ့(BOD)၏ အထူး အစည်းအဝေး ဆုံးဖြတ်ချက် မှတ်တမ်းနှင့်အတူ ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများ ညွှန်ကြားမှု ဦးစီးဌာန သို့ လျှောက်ထား ရမည်။

ညွှန်ကြားရေးမှူးချုပ် (ကိုယ်စား)

(နီလာမူ၊ ဒုတိယညွှန်ကြားရေးမှူး)

FORM VI

RETURN OF ALLOTMENTS
THE MYANMAR COMPANIES ACT.

(See Section 104)

(To be filled with the Registrar within one month after the allotment is made)

Return of allotment from the 1st of August 2012

on the 1st of August 2012 of the * SMART E & P INTERNATIONAL COMPANY LIMITED.

Made pursuant to Section 104 (1)

Number of the shares allotted payable in cash .... 500 Shares

" " " " ....

Nominal amount of the shares so allotted .... Ks 50,000,000/-

" " " " ....

Amount paid or due and payable on cash such share....... Ks. 100,000/- (Fully Paid Up)

" " " " ....

Number of ordinary shares allotted for a consideration other than cash

Nominal amount of the ordinary shares so allotted ....

Amount to be treated as paid on each such share ....

The consideration for which such share have been allotted is as follow: -

---

NOTE : In making a return of allotted under Section 104 (1) the Myanmar Companies Act., it is to be noted that-

1. When a return include several allotments made on different dates, the actual date of only the first and last of such allotment should be entered at the tip of the front page, and the registration of the return should be effected within one month of the first date.
2. When a return relates to one allotment only, made on one particular date, that date only should be inserted and the spaces for the second date struck out and the world made substituted for the world " From" after the world " allotments" above.

Here insert name of Company.

Distinguish between preference, ordinary, or other description of shares.

Presented for filling by: U Kyaw Kyaw Hlaing (Managing Director)

Name, Address and Description of Allottees :

Name & N.R.C No	Address	Description	Number of the shares allotted	
			Preference	ordinary
1. U Kyaw Kyaw Hlaing 12/Sa Kha Na (N)-056008	No.(182/B), Damazedi Street West Shwe Gondaing Ward, Bahan Township, Yangon.	Merchant		200 Shares
2. Daw Yadanar Su Hlaing 12/Ba Ha Na (N)-092906	No.(182/B), Damazedi Street West Shwe Gondaing Ward, Bahan Township, Yangon.	Merchant		150 Shares
3. U Chit Nyi Nyi Hlaing 12/Ba Ha Na (N)-088379	No.(182/B), Damazedi Sreet West Shwe Gondaing Ward, Bahan Township, Yangon.	Merchant		150 Shares
			Total	500 (Shares)

Signature

Date 1.8.2012

MANAGING DIRECTOR

FORM ...

FORM XXVI

PARTICULARS OF DIRECTORS, MANAGERS AND MANAGING AGENTS AND OF ANY CHANGES THEREIN

(Myanmar Companies Act, See Section 87)

Name of Company : SMART E & E INTERNATIONAL COMPANY LIMITED

Presented by : U Kyaw Kyaw Hlaing (M.D)

The Present Christian name or names of surnames	Nationality, National Registration Card No.	Usual Residential Address	Other Business Occupation	Changes
1. U Kyaw Kyaw Hlaing	Myanmar 12/Sa Kha Na (N)-056008	No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Yngon.	Merchant	Appointed at Managing Director (w.e.f 1.8.2012)
2. Daw Yadanar Su Hlaing	Myanmar 12/Ba Ha Na (N)-092906	No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Yngon.	Merchant	Appointed at Director (w.e.f 1.8.2012)
3. U Chit Nyi Nyi Hlaing	Myanmar 12/Ba Ha Na (N)-088379	No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Yngon.	Merchant	Appointed at Director (w.e.f 1.8.2012)

NOTE : (1) A Complete list of the Directors or Managers or Managing Agents shown as existing in the last particulars.

(2) A note of the changes since the last list should be made in the column for " Changes" by placing against the new Director's name the word " in place of .... and by writing against any former Director's name the word "dead " " resigned" or as the case may be giving the date of change against the entry.

Signature ....

Designation ....

Dated this ....1.8.2012.........

Form(26)

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့် မသက်ဆိုင်သည့်ကုမ္ပဏီ

စမတ် အီး အင်(န်) ပီ အင်တာနေရှင်နယ် ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့မှတ်တမ်း

နှင့်

သင်းဖွဲ့စည်းမျဉ်းများ

❖ ❖ ❖ ❖

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Memorandum Of Association

AND

Articles Of Association

OF

SMART E & P INTERNATIONAL COMPANY LIMITED.

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့် မသက်ဆိုင်သည့် ကုမ္ပဏီ

စမတ် အီး အင်(န်) ပီ အင်တာနေရှင်နယ် ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့မှတ်တမ်း

❖ ❖ ❖ ❖ ❖ ❖ ❖

၁။ ကုမ္ပဏီ၏ အမည်သည် " စမတ် အီး အင်(န်) ပီ အင်တာနေရှင်နယ် ကုမ္ပဏီ လီမိတက် " ဖြစ်ပါသည်။

၂။ ကုမ္ပဏီ၏ မှတ်ပုံတင် အလုပ်တိုက်သည် ပြည်ထောင်စု မြန်မာနိုင်ငံတော်အတွင်း တည်ရှိရမည်။

၃။ ကုမ္ပဏီ တည်ထောင်ရခြင်း၏ ရည်ရွယ်ချက်များမှာ တစ်ဖက်စာမျက်နှာပါအတိုင်း ဖြစ်ပါသည်။

၄။ အစုဝင်များ၏ ပေးရန်တာဝန်ကို ကန့်သတ်ထားသည်။

၅။ ကုမ္ပဏီ၏ သတ်မှတ်မတည်ငွေရင်းသည် ကျပ် ၅၀၀,၀၀၀,၀၀၀ /- (ကျပ် သန်းငါးရာ တိတိ) ဖြစ်၍ ငွေကျပ် ၁၀၀,၀၀၀ /- (ကျပ် ၊ တစ်သိန်း တိတိ) တန် အစုရှယ်ယာပေါင်း (၅,၀၀၀)ခွဲထားပါသည်။ ကုမ္ပဏီ၏ ရင်းနှီးငွေကိုကုမ္ပဏီ၏ စည်းမျဉ်းများနှင့် လက်ရှိတရားဝင် တည်ဆဲဖြစ်နေသော တရားဥပဒေပြဌာန်းချက်များနှင့် အညီ အထွေထွေ သင်းလုံးကျွတ် အစည်းအဝေး၌ တိုးမြှင့်နိုင်ခွင့် ၊ လျှော့ချနိုင်ခွင့် နှင့် ပြင်ဆင်နိုင်ခွင့် အာဏာရှိစေရမည်။

(၂)

စက်မှုလက်မှုနှင့် ထုတ်လုပ်မှုလုပ်ငန်း ရည်ရွယ်ချက်

၁။ နိုင်ငံတော်အစိုးရက ခွင့်ပြုထားသော အောက်ဖော်ပြပါ ကုန်ပစ္စည်းများကို ထုတ်လုပ်ခြင်း၊ စိုက်ပျိုးခြင်း၊ ကြိတ်ခွဲခြင်းနှင့် ပြုပြင်ခြင်း စသည့် လုပ်ငန်းများ ဆောင်ရွက်ရန် အတွက် မိမိတစ်ဦးတည်းဖြစ်စေ၊ မည်သည့် ပြည်တွင်း၊ပြည်ပပုဂ္ဂိုလ်များနှင့် ဖက်စပ်၍ဖြစ်စေ လုပ်ကိုင်ရန်။

(၁) လယ်ယာကိုင်းကျွန်းနှင့် ဥယျာဉ်ခြံမြေထွက်ကုန်ပစ္စည်းများကို စိုက်ပျိုးခြင်း၊ ထုတ်လုပ်ခြင်း၊ ရိပ်သိမ်းခြင်း၊ တာရှည်ခံအောင်ပြုပြင်ခြင်း၊ ထုတ်ပိုးခြင်း၊ ကြိတ်ခွဲခြင်းနှင့်ကုန်ထုတ်လုပ်ခြင်း။

(၂) (ကျွန်းမှအပ)သစ်နှင့်သစ်တောထွက်ပစ္စည်းများအား (သက်ဆိုင်ရာဌာန၏ခွင့်ပြုချက်ဖြင့်) ခုတ်လှဲခြင်း၊ ထုတ်ယူခြင်း၊ ခွဲစိတ်ခြင်း၊ ကုန်ထုတ်လုပ်ခြင်း၊ တာရှည်ခံအောင်ပြုပြင်ခြင်းနှင့် အသားသေစေခြင်း။

(၃) တိရိစ္ဆာန်မွေးမြူခြင်းနှင့် တိရိစ္ဆာန်ထွက်ကုန်ပစ္စည်းများအား ပြုပြင်ထုတ်လုပ်ခြင်း၊ စည်သွတ်ခြင်း။

(၄) ရေထွက်ကုန်ပစ္စည်းများအား ဖမ်းယူခြင်း၊ တာရှည်ခံအောင်ပြုပြင်ခြင်း၊ ကြိတ်ခွဲခြင်း၊ စည်သွပ်ခြင်းနှင့် ပြုပြင်ထုတ်လုပ်ခြင်း၊

(၅) ဓါတ်မြေဩဇာ၊ ပိုးသတ်ဆေးနှင့် တိရိစ္ဆာန်အစားအစာများ ထုတ်လုပ်ခြင်း၊

(၆) လူသုံးကုန်ပစ္စည်းများ ထုတ်လုပ်ခြင်း၊

(၇) အိမ်သုံးကုန်ပစ္စည်းများထုတ်လုပ်ခြင်း၊

(၈) ယာဉ်နှင့်စက်ကိရိယာများ၊ အပိုပစ္စည်းများ ထုတ်လုပ်ခြင်း၊

(၉) လက်မှုအနုပညာပစ္စည်းများ၊ ယွန်းထည်များနှင့် ပရိဘောဂများထုတ်လုပ်ခြင်း၊

(၁၀) ဆောက်လုပ်ရေးပစ္စည်းများနှင့်သုတ်ဆေးများထုတ်လုပ်ခြင်း၊

(၁၁) စက်ရုံသုံးပစ္စည်းများ ထုတ်လုပ်ခြင်း၊

(၁၂) လျှပ်စစ်နှင့်အီလက်ထရောနစ်ကုန်ပစ္စည်းများ ထုတ်လုပ်ခြင်း၊

(၁၃) အထည်လိပ်နှင့် အဝတ်ထည်များ ထုတ်လုပ်ခြင်း၊

(၁၄) အစိုးရ၏ခွင့်ပြုချက်ဖြင့် သတ္တုရှာဖွေခြင်း၊ တူးဖေါ်ခြင်း၊ ထုတ်လုပ်ခြင်း၊ ပြုပြင်ခြင်းနှင့် ထွက်ရှိသောကုန်ပစ္စည်းများကို ရောင်းချခြင်းလုပ်ကိုင်ရန်၊

(၁၅) အစိုးရ၏ခွင့်ပြုချက်ဖြင့် ရေနံနှင့် သဘာဝဓါတ်ငွေ့ ရှာဖွေခြင်း၊ တူးဖေါ်ခြင်း၊ ထုတ်လုပ်ခြင်း၊ နှင့် ထွက်ရှိသောကုန်ပစ္စည်းများကို ရောင်းချခြင်းလုပ်ကိုင်ရန်၊

၂။ အထက်ဖေါ်ပြပါ လုပ်ငန်းများတွင် လိုအပ်သည့် စက်ကိရိယာများ ၊ အပိုပစ္စည်းများ ၊ ကုန်ကြမ်းပစ္စည်းများနှင့် အခြားသောပစ္စည်းများကို ပြည်ပမှတင်သွင်းရန်နှင့် ထွက်ရှိလာသော ကုန်ချောများတစ်စိတ်တစ်ဒေသကုန်ချောများကို ပြည်တွင်းပြည်ပတွင် လက်လီလက်ကားရောင်းချရန်။

၃။ ကုမ္ပဏီ မှ သင့်လျော်လျောက်ပတ်သည်ဟု ယူဆပါက ကုမ္ပဏီ၏ စီးပွားရေးလုပ်ငန်းတွင် အကျိုးရှိစေရန် အတွက် မည်သည့်ပုဂ္ဂိုလ်၊ စီးပွားရေး အဖွဲ့အစည်း ၊ ကုမ္ပဏီ၊ ဘဏ်၊သို့မဟုတ်၊ငွေကြေးအဖွဲ့အစည်းထံမှမဆို ငွေချေးယူရန်။

ခြွင်းချက်။ ကုမ္ပဏီသည် အထက်ဖေါ်ပြပါ ရည်ရွယ်ချက်များကို ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော်အတွင်း၌ ဖြစ်စေ ၊ အခြား မည်သည့် အရပ်ဒေသ၌ဖြစ်စေ ၊ အချိန်ကာလအလိုက် တည်မြဲနေသော တရားဥပဒေများ ၊ အမိန့်ကြော်ငြာစာများ ၊ အမိန့်များ ကခွင့်ပြုထားသည့် လုပ်ငန်းများမှအပ အခြားလုပ်ငန်းများကိုလုပ်ကိုင်ဆောင်ရွက်ခြင်းမပြုပါ။ထို့အပြင်ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း၌အအချိန်ကာလအားလျော်စွာ တည်မြဲနေသည့် တရား ဥပဒေပဌာန်းချက်များ ၊ အမိန့် ကြော်ငြာစာများ ၊ အမိန့်များနှင့် လျော်ညီသင့်တော်ခြင်း သို့မဟုတ် ၊ ခွင့် ပြုထားခြင်း ရှိမှ သာလျှင် လုပ်ငန်းများကို ဆောင်ရွက်မည်ဟု ခြွင်းချက်ထားရှိပါသည်။

အောက်တွင် အမည်၊ နိုင်ငံသား၊ နေရပ်နှင့် အကြောင်းအရာစုံလင်စွာပါသော ဇယားတွင် လက်မှတ်ရေးထိုးသူ ကျွန်ုပ်တို့ ကိုယ်စီကိုယ်ငှသည် ဤသင်းဖွဲ့မှတ်တမ်းအရ ကုမ္ပဏီတစ်ခုဖွဲ့စည်းရန် လိုလားသည့်အလျောက် ကျွန်ုပ်တို့၏ အမည်အသီးသီးနှင့် ယှဉ်တွဲ၍ပြထားသော အစုရှယ်ယာများကို ကုမ္ပဏီ၏ မတည်ရင်းနှီးငွေတွင် ထည့်ဝင်ရယူကြရန် သဘောတူကြပါသည်။

စဉ်	အစုထည့်ဝင်သူများ၏ အမည်၊ နေရပ်လိပ်စာနှင့် အလုပ်အကိုင်	နိုင်ငံသားနှင့် အမျိုးသား မှတ်ပုံတင်အမှတ်	ဝယ်ယူသော အစုရှယ်ယာ ဦးရေ	ထိုးမြဲလက်မှတ်
၁။	ဦးကျော်ကျော်လှိုင် အမှတ်(၁၈၂/ဘီ)၊ ဓမ္မစေတီလမ်း၊ အနောက်ရွှေဂုံတိုင်ရပ်ကွက်၊ ဗဟန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၁၂/စခန(နိုင်)-၀၅၆၀၀၈	၂၀၀	(signature)
၂။	ဒေါ်ရတနာစုလှိုင် အမှတ်(၁၈၂/ဘီ)၊ ဓမ္မစေတီလမ်း၊ အနောက်ရွှေဂုံတိုင်ရပ်ကွက်၊ ဗဟန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၁၂/ဘဟန(နိုင်)-၀၉၂၉၀၆	၁၅၀	(signature)
၃။	ဦးချစ်ညီညီလှိုင် အမှတ်(၁၈၂/ဘီ)၊ ဓမ္မစေတီလမ်း၊ အနောက်ရွှေဂုံတိုင်ရပ်ကွက်၊ ဗဟန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၁၂/ဘဟန(နိုင်)-၀၈၈၃၇၉	၁၅၀	(signature)

မြို့။ နေ့စွဲ၊ -ခုနှစ်၊ လ၊ ရက်။

အထက်ပါလက်မှတ်ရှင်များသည် ကျွန်ုပ်၏ရှေ့မှောက်တွင် လက်မှတ်ရေးထိုးကြပါသည်။

ဦးငြိမ်းတင် ... ရှေ့နေ

U NYEIN TIN
LL.B
ADVOCATE

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့်မသက်ဆိုင်သည့် ကုမ္ပဏီ

စမတ် အီး အင်(န်) ပီ အင်တာနေရှင်နယ် ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့စည်းမျဉ်းများ

❖ ❖ ❖ ❖ ❖ ❖ ❖

၁။ ဤသင်းဖွဲ့စည်းမျဉ်းနှင့် လိုက်လျောညီထွေမဖြစ်သည့် စည်းမျဉ်းများမှအပ၊ မြန်မာနိုင်ငံကုမ္ပဏီများအက်ဥပဒေ နောက်ဆက်တွဲ ပထမဇယားပုံစံ 'က' ပါ စည်းမျဉ်းများသည် ဤကုမ္ပဏီနှင့် သက်ဆိုင်စေရမည်။ မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေပုဒ်မ ၁၇(၂)တွင် ဖော်ပြပါရှိသည့် မလိုက်နာ မနေရ စည်းမျဉ်းများသည် ဤကုမ္ပဏီနှင့် အစဉ်သဖြင့် သက်ဆိုင်စေရမည်။

အများနှင့် မသက်ဆိုင်သော ကုမ္ပဏီ

၂။ ဤကုမ္ပဏီသည်အများနှင့်မသက်ဆိုင်သည့် ကုမ္ပဏီဖြစ်၍အောက်ပါသတ်မှတ်ချက်များသည် အကျိုးသက်ရောက် စေရမည်။

(က) ဤကုမ္ပဏီက ခန့်အပ်ထားသော ဝန်ထမ်းများမှအပ၊ ဤကုမ္ပဏီ၏အစုရှင်အရေအတွက်ကိုငါးဆယ် အထိသာကန့်သတ်ထားသည်။

(ခ) ဤကုမ္ပဏီ၏ အစုရှယ်ယာ သို့မဟုတ် ဒီဘင်ချာ သို့မဟုတ် ဒီဘင်ချာစတော့(ခ်) တစ်ခုခုအတွက်ငွေထည့်ဝင်ရန်အများပြည်သူတို့အား ကမ်းလှမ်းခြင်းမပြုလုပ်ရန် တားမြစ်ထားသည်။

မ,တည် ရင်းနှီးငွေနှင့် အစုရှယ်ယာ

၃။ ကုမ္ပဏီ၏ သတ်မှတ် မ,တည်ငွေရင်း မှာ ကျပ် ၅၀၀,၀၀၀,၀၀၀/-(ကျပ် သန်းငါးရာ တိတိ) ဖြစ်၍ ငွေကျပ် ၁၀၀,၀၀၀/- (ကျပ် တစ်သိန်း တိတိ) တန် အစုရှယ်ယာပေါင်း (၅,၀၀၀) ခွဲထားပါသည်။
ကုမ္ပဏီ၏ ရင်းနှီးငွေကို ကုမ္ပဏီ၏ စည်းမျဉ်းများ နှင့် လက်ရှိတရားဝင် တည်ဆဲဖြစ်နေသောတရားဥပဒေပြဋ္ဌာန်းချက်များနှင့်အညီ အထွေထွေသင်းလုံးကျွတ် အစည်းအဝေး၌ တိုးမြှင့်နိုင်ခွင့်၊ လျှော့ချနိုင်ခွင့်နှင့်ပြင်ဆင်နိုင်ခွင့် အာဏာရှိစေရမည်။

၄။ မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေပါ ပြဋ္ဌာန်းချက်များကို မထိခိုက်စေလျက် အစုရှယ်ယာများသည်ဒါရိုက်တာများ၏ ကြီးကြပ်ကွပ်ကဲမှု အောက်တွင် ရှိစေရမည်။ ၎င်းဒါရိုက်တာများသည် သင့်လျော်သော ပုဂ္ဂိုလ်များအားသတ်မှတ်ချက် အခြေအနေ တစ်စုံတစ်ရာဖြင့် အစုရှယ်ယာများကို ခွဲဝေချထားခြင်း သို့မဟုတ် ထုခွဲရောင်းချခြင်းတို့ကို ဆောင်ရွက်နိုင်သည်။

၅။ အစုရှယ်ယာလက်မှတ်များကို အထွေထွေမန်နေဂျာ သို့မဟုတ် ဒါရိုက်တာအဖွဲ့က သတ်မှတ်သည့် အခြားပုဂ္ဂိုလ်များကလက်မှတ်ရေးထိုး၍ ကုမ္ပဏီ၏တံဆိပ်ရိုက်နှိပ်ထုတ်ပေးရမည်။အစုရှယ်ယာလက်မှတ်သည် ပုံပန်းပျက်ခြင်း၊ ပျောက်ဆုံးခြင်းသို့မဟုတ်ပျက်စီးခြင်းဖြစ်ပါက အဖိုးအခဖြင့် ပြန်လည်အသစ်ပြုလုပ်ပေးမှုကိုသော်လည်းကောင်း၊ ဒါရိုက်တာများက သင့်လျော်သည်ဟုယူဆသော အခြားသက်သေခံ အထောက်အထား တစ်စုံတစ်ရာကို တင်ပြစေ၍သော်လည်းကောင်း ထုတ်ပေးနိုင်သည်။ ကွယ်လွန်သွားသော အစုရှယ်ယာရှင်တစ်ဦး၏တရားဝင်ကိုယ်စားလှယ်ကို ဒါရိုက်တာများက အသိအမှတ် ပြုပေးရမည်ဖြစ်သည်။

၆။ ဒါရိုက်တာများသည် အစုရှင်များက ၎င်းတို့၏ အစုရှယ်ယာများအတွက် မပေးသွင်းရသေးသောငွေများကိုအခါအားလျော်စွာ တောင်းဆိုနိုင်သည်။ အစုရှင်တိုင်းကလည်း ၎င်းတို့ထံတောင်းဆိုသည့် အကြိမ်တိုင်း အတွက် ဒါရိုက်တာများကသတ်မှတ်သည့် ပုဂ္ဂိုလ်များထံ သတ်မှတ်သည့်အချိန်နှင့် နေရာတွင် ပေးသွင်းစေရန်တာဝန်ရှိစေရမည်။ ဆင့်ခေါ်မှုတစ်ခုအတွက်အရစ်ကျပေးသွင်းစေခြင်း၊သို့မဟုတ် ပယ်ဖျက်ခြင်း သို့မဟုတ် ရွှေ့ဆိုင်းခြင်းတို့ကို ဒါရိုက်တာများက သတ်မှတ်နိုင်သည်။

ဒါရိုက်တာများ

၇။ သင်းလုံးကျွတ် အစည်းအဝေးက တစ်စုံတစ်ရာ သတ်မှတ်ပြဋ္ဌာန်းမှု မပြုလုပ်သမျှ ဒါရိုက်တာများ၏ အရေအတွက်သည် (၂)ဦး ထက်မနည်း၊ (၁၉)ဦးထက်မများစေရ။

ပထမဒါရိုက်တာများသည် -

(၁) ဦးကျော်ကျော်လှိုင်
(၂) ဒေါ်ရတနာစုလှိုင် ....နှင့်
(၃) ဦးချစ်ညီညီလှိုင် တို့ဖြစ်ကြပါသည်။

၈။ ဒါရိုက်တာများသည် ၎င်းတို့အနက်မှ တစ်ဦးကို မန်နေဂျင်းဒါရိုက်တာအဖြစ် အချိန်အခါအလိုက် သင့်လျော်သောသတ်မှတ်ချက်များ၊ညာဏ်ပူဇော်ခများဖြင့် ခန့်ထားရမည်ဖြစ်ပြီး အခါအားလျော်စွာ ဒါရိုက်တာအဖွဲ့ကပေးအပ်သောအာဏာများအားလုံးကို ၎င်းက အသုံးပြုနိုင်သည်။

၉။ ဒါရိုက်တာတစ်ဦးဖြစ်မြောက်ရန်လိုအပ်သော အရည်အချင်းသည် ကုမ္ပဏီ၏အစုရှယ်ယာအနည်းဆုံး (-)စုကို ပိုင်ဆိုင်ခြင်းဖြစ်၍ ၎င်းသည် မြန်မာနိုင်ငံ ကုမ္ပဏီများအက်ဥပဒေပုဒ်မ ၈၅ ပါ ပြဋ္ဌာန်းချက်များကို လိုက်နာရန် တာဝန်ရှိသည်။

၁၀။ အစုရှယ်ယာများ လွှဲပြောင်းရန် တင်ပြချက်ကို မည်သည့် အကြောင်းပြချက်မျှ မပေးဘဲ ဒါရိုက်တာအဖွဲ့သည် ၎င်းတို့၏ပြည့်စုံ၍ ချုပ်ချယ်ခြင်းကင်းသော ဆင်ခြင်တွက်ဆမှုဖြင့် မှတ်ပုံတင်ရန် ငြင်းဆိုနိုင်သည်။

ဒါရိုက်တာများ၏ ဆောင်ရွက်ချက်များ

၁၁။ ဒါရိုက်တာများသည် ၎င်းတို့သင့်လျော်သည် ထင်မြင်သည့်အတိုင်း လုပ်ငန်းဆောင်ရွက်ရန် တွေ့ဆုံဆွေးနွေးခြင်း၊ အစည်းအဝေးရွှေ့ဆိုင်းခြင်း၊ အချိန်မှန်စည်းဝေးခြင်း၊ အစည်းအဝေးအထမြောက်ရန်အနည်းဆုံးဒါရိုက်တာဦးရေ သတ်မှတ်ခြင်းတို့ကို ဆောင်ရွက်နိုင်သည်။ ယင်းသို့ မသတ်မှတ်ပါက ဒါရိုက်တာနှစ်ဦး တက်ရောက်လျှင် အစည်းအဝေးထမြောက်ရမည်။အစည်းအဝေးတွင်မည်သည့်ပြဿနာမဆိုပေါ်ပေါက်ပါက မန်နေဂျင်းဒါရိုက်တာ၏အဆုံးအဖြတ်သည် အတည်ဖြစ်ရမည်။ မည်သည့် ကိစ္စများကိုမဆို မဲခွဲဆုံးဖြတ်ရာတွင် မဲအရေအတွက်တူနေပါက သဘာပတိသည် ဒုတိယမဲ သို့မဟုတ် အနိုင်မဲကို ပေးနိုင်သည်။

၁၂။ ဒါရိုက်တာများ၏ အစည်းအဝေးကို မည်သည့်ဒါရိုက်တာကမဆို အချိန်မရွေး ခေါ်နိုင်သည်။

၁၃။ ဒါရိုက်တာအားလုံးက လက်မှတ်ရေးထိုးထားသော ရေးသားထားသည့် ဆုံးဖြတ်ချက်တစ်ရပ်သည်နည်းလမ်းတကျ ခေါ်ယူကျင်းပသော အစည်းအဝေးက အတည်ပြုသည့် ဆုံးဖြတ်ချက်ကဲ့သို့ပင် ကိစ္စအားလုံး အတွက် အကျိုးသက်ရောက်စေရမည်။

ဒါရိုက်တာများ၏ လုပ်ပိုင်ခွင့်နှင့်တာဝန်များ

၁၄။ မြန်မာနိုင်ငံ ကုမ္ပဏီများအက်ဥပဒေ နောက်ဆက်တွဲဇယားပုံစံ(က)ပါ စည်းမျဉ်းအပိုဒ် ၇၁ တွင် ပေးအပ်ထားသော အထွေထွေအာဏာများကိုမထိခိုက်စေဘဲဒါရိုက်တာများသည်အောက်ဖော်ပြပါ အာဏာများရှိရမည်ဟု အတိအလင်း ထုတ်ဖော်ကြေညာသည်။ အာဏာဆိုသည်မှာ-

(၁) ဒါရိုက်တာများက သင့်လျော်သည်ဟုယူဆသော တန်ဖိုးနှင့်စည်းကမ်းများ၊ အခြေအနေများ သတ်မှတ်၍ ကုမ္ပဏီကရယူရန် အာဏာရှိသည့်မည်သည့်ပစ္စည်း၊ အခွင့်အရေးများ ၊ အခွင့်အလမ်းများကို မဆိုဝယ်ယူရန် သို့မဟုတ် အခြားနည်းလမ်းများဖြင့် ရယူပိုင်ဆိုင်ရန်အပြင် ကုမ္ပဏီကပိုင်ဆိုင်ခွင့်ရှိသော မည်သည့်ပစ္စည်း အခွင့်အရေးများ၊ အခွင့်အလမ်းများကိုမဆို သင့်တော်သောစည်းကမ်းချက်များ သတ်မှတ်၍ရောင်းချခြင်း၊ အငှားချခြင်း၊ စွန့်လွှတ်ခြင်း၊ သို့မဟုတ် အခြားနည်းလမ်းများဖြင့် ဆောင်ရွက်ခြင်းတို့ကို ပြုလုပ်ရန်။

(၂) သင့်လျော်သော စည်းကမ်းသတ်မှတ်ချက်များဖြင့် ငွေကြေးများကို ချေးငှားရန် သို့မဟုတ်အဆိုပါ ချေးငှားသောငွေကြေးများကို ပြန်လည်ပေးဆပ်ရန်အတွက် အာမခံများထားရှိရန်အပြင်၊ အထူးသဖြင့် ဤကုမ္ပဏီ၏ ဒီဘင်ချာများ၊ ဒီဘင်ချာစတော့(ခ်)များ၊ ခေါ်ယူခြင်းမပြုရသေးသော ရင်းနှီးငွေများအပါ အဝင်ယခုလက်ရှိနှင့် နောင်ရှိမည့်ပစ္စည်းများအားလုံး သို့မဟုတ် တစ်စိတ်တဒေသကို အပေါင်ပြု၍ ထုတ်ဝေရန်။

(၃) ဤကုမ္ပဏီက ရယူထားသော အခွင့်အရေးများ သို့မဟုတ် ဝန်ဆောင်မှုများအတွက် အားလုံး သို့မဟုတ်တစ်စိတ်တဒေသကို ငွေကြေးအားဖြင့် ပေးချေရန်၊ သို့မဟုတ် အစုရှယ်ယာများ၊ ငွေချေးစာချုပ်များ၊ ဒီဘင်ချာများ သို့မဟုတ် ဤကုမ္ပဏီ၏အခြားသော အာမခံ စာချုပ်များကို ထုတ်ပေးရန်၊ ထို့အပြင် အဆိုပါ အစုရှယ်ယာများ ထုတ်ပေးရာ၌ ငွေအပြည့်ပေးသွင်းပြီးသော အစုရှယ်ယာအနေဖြင့် သော်လည်းကောင်း၊ တစ်စိတ်တဒေသ ပေးသွင်းပြီးသော အစုရှယ်ယာများအနေဖြင့် သော်လည်းကောင်း၊ သဘောတူညီသကဲ့သို့ ထုတ်ဝေပေးရန်နှင့် အဆိုပါ ငွေချေးစာချုပ်များ၊ ဒီဘင်ချာများ သို့မဟုတ် ကုမ္ပဏီ၏ အခြားသော အာမခံ စာချုပ်များဖြင့် ထုတ်ဝေပေးရာ၌ခေါ်ဆိုခြင်း မပြုရသေးသော ရင်းနှီးငွေများ အပါအဝင် ဤကုမ္ပဏီ၏ ပစ္စည်းအားလုံးသို့မဟုတ် တစ်စိတ်တစ်ဒေသကို အပေါင်ပြု၍ ဖြစ်စေ၊ ထိုကဲ့သို့ မဟုတ်ဘဲဖြစ်စေ ထုတ်ပေးရန်။

(၄) ဤကုမ္ပဏီ နှင့် ပြုလုပ်ထားသော ကန်ထရိုက်စာချုပ်များ၊ တာဝန်ယူထားသည့် လုပ်ငန်းများ ပြီးစီးအောင် ဆောင်ရွက်စေခြင်းအလို့ငှာ ခေါ်ယူခြင်းမပြုရသေးသော ရင်းနှီးငွေများအပါအဝင် ဤကုမ္ပဏီ၏ပစ္စည်းရပ်များ အားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို ပေါင်နှံ၍သော်လည်းကောင်း၊ အပေါင်ပြု၍ သော်လည်းကောင်း သို့မဟုတ် အစုရှယ်ယာများအတွက် ငွေများတောင်းခံခေါ်ယူ၍ သော်လည်းကောင်း၊ ခွင့်ပြုရန် သို့မဟုတ် သင့်လျော်သည့်အတိုင်း ဆောင်ရွက်ရန်။

(၅) မန်နေဂျာများ၊ အတွင်းရေးမှူးများ၊ အရာရှိများ၊ စာရေးများ၊ ကိုယ်စားလှယ်များနှင့်ဝန်ထမ်းများကို အမြဲတမ်း ယာယီ သို့မဟုတ် အထူးကိစ္စရပ်များအတွက် ခန့်ထားခြင်း၊ ရပ်စဲခြင်း၊ ဆိုင်းငံ့ခြင်းများအတွက် လည်းကောင်း၊ အဆိုပါ ပုဂ္ဂိုလ်တို့၏တာဝန်များ၊ အာဏာများ၊ လစာငွေများ၊ အခြားငွေကြေးများကို သတ်မှတ် ရာ၌ လည်းကောင်း၊ အာမခံပစ္စည်းများ တောင်းခံရာ၌ လည်းကောင်း သင့်လျော်သလို ဆောင်ရွက်ရန်၊ ထို့အပြင် အဆိုပါကိစ္စများအတွက် ကုမ္ပဏီ၏ မည်သည့်အရာရှိကိုမဆို ကိစ္စရပ် အားလုံးကိုဖြစ်စေ၊ တစ်စိတ်တစ်ဒေသ ကိုဖြစ်စေ ဒါရိုက်တာများ၏ ကိုယ်စားဆောင်ရွက် နိုင်ရေးအတွက် တာဝန်လွှဲအပ်ရန်။

(၆) ဤကုမ္ပဏီ၏ ဒါရိုက်တာတစ်ဦးအား ဒါရိုက်တာရာထူးနှင့် တွဲဖက်၍မန်နေဂျင်းဒါရိုက်တာ၊ အထွေထွေ မန်နေဂျာ၊ အတွင်းရေးမှူး သို့မဟုတ် ဌာနခွဲမန်နေဂျာအဖြစ်ခန့်ထားရန်။

(၇) မည်သည့် အစုရှင်ထံမှမဆို ၎င်းတို့၏ အစုရှယ်ယာများအားလုံးကိုဖြစ်စေ၊ အချို့အဝက်ကိုဖြစ်စေစွန့်လွှတ်ခြင်း အား သဘောတူညီသော စည်းကမ်းချက်များဖြင့် လက်ခံရန်။

(၈) ဤကုမ္ပဏီက ပိုင်ဆိုင်သော သို့မဟုတ် ပိုင်ဆိုင်ခွင့်ရှိသော သို့မဟုတ် အခြားအကြောင်းများကြောင့်ဖြစ်သော မည်သည့်ပစ္စည်းကိုမဆို ကုမ္ပဏီ၏ ကိုယ်စားလက်ခံထိန်းသိမ်းထားရန်အတွက် မည်သည့်ပုဂ္ဂိုလ် သို့မဟုတ် ပုဂ္ဂိုလ်များကိုမဆိုခန့်ထားရန်နှင့် အဆိုပါယုံမှတ် အပ်နှံခြင်းများနှင့် ပတ်သက်၍လိုအပ်သော စာချုပ်စာတမ်းများ ချုပ်ဆို ပြုလုပ်ရန်။

(၉) ဤကုမ္ပဏီ၏ အရေးအရာများနှင့်စပ်လျဉ်း၍ ဤကုမ္ပဏီကပြုလုပ်သော သို့မဟုတ် ဤကုမ္ပဏီအပေါ် သို့မဟုတ် ဤကုမ္ပဏီ၏ အရာရှိများအပေါ် ပြုလုပ်သော တရားဥပဒေအရ စွဲဆို ဆောင်ရွက်မှုများကို တရားစွဲဆို၊ အရေးယူ၊ ခုခံကာကွယ်ရန် သို့မဟုတ် ခွင့်လွှတ်ရန်၊ ထို့အပြင် ဤကုမ္ပဏီက ရရန်ရှိသော ကြွေးမြီများနှင့် ဤကုမ္ပဏီ အပေါ် တောင်းခံသော ကြွေးမြီများနှင့် ပတ်သက်၍ ပေးဆပ်ရန် အချိန်ကာလ ရွှေ့ဆိုင်းခွင့်ပြုခြင်း သို့မဟုတ် နှစ်ဦးနှစ်ဖက်သဘောတူ ကျေအေးခြင်းများ ပြုလုပ်ရန်။

(၁၀) ဤကုမ္ပဏီက ပေးရန်ရှိသော သို့မဟုတ်ရရန်ရှိသော ငွေတောင်းခံခြင်းများကို ဖြန်ဖြေရေး ခုံသမာဓိထံသို့ ဖြေရှင်းရန်အတွက်အပ်နှံရန်အပြင်ဖြန်ဖြေရေး ခုံသမာဓိ၏ဆုံးဖြတ်ချက်အတိုင်းလိုက်နာဆောင်ရွက်ရန်။

(၁၁) ဤကုမ္ပဏီကရရန်ရှိသောတောင်းဆိုချက်၊ တောင်းခံချက်များနှင့် ကုမ္ပဏီသို့ပေးရန်ရှိသော ငွေကြေး များအတွက် ပြေစာများ ပြုလုပ် ထုတ်ပေးခြင်း၊ လျှော်ပစ်ခြင်းနှင့် အခြားသောနည်းဖြင့် စွန့်လွှတ်ခြင်းများကို ပြုလုပ်ရန်။

(၁၂) လူမွဲစာရင်းခံရခြင်း၊ ကြွေးမြီးမဆပ်နိုင်ခြင်း ကိစ္စများနှင့် ပတ်သက်၍ကုမ္ပဏီ၏ကိုယ်စားဆောင်ရွက်ရန်။

(၁၃) ငွေလွှဲစာတမ်းများ၊ ချက်လက်မှတ်များ၊ ဝန်ခံကတိစာချုပ်များ၊ ထပ်ဆင့်လက်မှတ်ရေးထိုးခြင်းများ၊လျှော်ပစ်ခြင်းများ၊ ကန်ထရိုက်စာချုပ်များနှင့် စာရွက်စာတမ်းများကို ကုမ္ပဏီ၏ကိုယ်စား မည်သူက လက်မှတ်ရေးထိုးခွင့်ရှိသည်ကို စိစစ်သတ်မှတ်ရန်။

(၁၄) ဒါရိုက်တာများက သင့်လျော်သည်ဟုယူဆပါက သင့်လျော်လျောက်ပတ်သော နည်းလမ်းများဖြင့်လတ်တလော အသုံးပြုရန် မလိုသေးသော ကုမ္ပဏီပိုင်ငွေများကို အာမခံ ပစ္စည်းပါသည်ဖြစ်စေ၊ မပါသည်ဖြစ်စေရင်းနှီးမြှုပ်နှံထားရန်နှင့် စီမံခန့်ခွဲထားရန်၊ ထို့အပြင် အချိန်ကာလအားလျော်စွာ မြှုပ်နှံထားသောငွေကို ပြန်လည်ရယူရန်နှင့် ပြင်ဆင်ပြောင်းလွှဲရန်။

(၁၅) ဤကုမ္ပဏီ၏ အကျိုးအတွက် ငွေကြေးစိုက်ထုတ် ကုန်ကျခံထားသော ဒါရိုက်တာသို့မဟုတ် အခြား ပုဂ္ဂိုလ်များက ကုမ္ပဏီ၏ (လက်ရှိနှင့် နောင်တွင်ရှိမည့်) ပစ္စည်းများကို ဤကုမ္ပဏီ၏ အမည်ဖြင့်ဖြစ်စေ၊ ဤကုမ္ပဏီ၏ ကိုယ်စားဖြစ်စေ ပေါင်နှံခြင်းကို သင့်လျော်သည်ဟုယူဆပါက ဆောင်ရွက်ခွင့်ပြုရန် အဆိုပါပေါင်နှံခြင်းဆိုရာ၌ ရောင်းချနိုင်သည့် အာဏာနှင့်အခြားသော သဘောတူညီထားသည့် တရားဝင်သဘော တူညီချက်များနှင့် ဥပဒေပါပြဋ္ဌာန်းချက်များပါ ပါဝင်သည်။

(၁၆) ဤကုမ္ပဏီကခန့်အပ်ထားသော မည်သည့်အရာရှိသို့မဟုတ် ပုဂ္ဂိုလ်ကိုမဆို အတိအကျ ဆောင်ရွက်ခဲ့သည့် လုပ်ငန်း သို့မဟုတ် ဆောင်ရွက်မှုတစ်ခုအတွက် ရရှိသောအမြတ်ငွေမှ ကော်မရှင်ပေးခြင်း သို့မဟုတ် ကုမ္ပဏီ၏ အထွေထွေ အမြတ်အစွန်းမှ ခွဲဝေပေးခြင်းများပြုလုပ်ရန်နှင့် အဆိုပါကော်မရှင်များ၊ အမြတ် များခွဲဝေပေးခြင်း စသည်တို့ကို ဤကုမ္ပဏီ၏ လုပ်ငန်းကုန်ကျစရိတ် ကစ်စိတ်တစ်ဒေသဖြစ် သတ်မှတ်ရန်။

(၁၇) ဤကုမ္ပဏီ၏လုပ်ငန်းများ အရာရှိများ ဝန်ထမ်းများနှင့် အစုရှင်များအတွက် ထုတ်ပြန်ထားသော စည်းမျဉ်းများ၊ စည်းကမ်းချက်များ၊ စည်းကမ်းဥပဒေများကို အခါအားလျော်စွာ သတ်မှတ်ခြင်း၊ ပြင်ဆင်ခြင်း၊ ဖြည့်စွက်ခြင်း များ ဆောင်ရွက်ရန်။

(၁၈) ဤကုမ္ပဏီ၏ လုပ်ငန်းအတွက် ဤကုမ္ပဏီ၏အမည်ဖြင့်ဖြစ်စေ၊ ဤကုမ္ပဏီ၏ကိုယ်စားဖြစ်စေ လိုအပ် သည်ဟု ယူဆလျှင် ညှိနှိုင်းဆွေးနွေးခြင်းနှင့် ကန်ထရိုက်စာချုပ် ချုပ်ဆိုခြင်းများကို ပြုလုပ်ရန်၊ ဖျက်သိမ်းရန်နှင့် ပြင်ဆင်ရန်အပြင် အဆိုပါဆောင်ရွက်ချက် စာချုပ်များနှင့် ကိစ္စရပ်များကို လည်းကောင်း၊ ၎င်းတို့နှင့် စပ်လျဉ်းသော ကိစ္စရပ်များကို လည်းကောင်း လုပ်ကိုင်ဆောင်ရွက်ရန်။

(၁၉) ဒါရိုက်တာများက သင့်လျော်လျောက်ပတ်သည်ဟု ယူဆပါကကုမ္ပဏီ၏ စီးပွားရေးလုပ်ငန်းတွင် အကျိုးရှိစေရန်အတွက် မည်သည့် ပြည်တွင်းပြည်ပ ပုဂ္ဂိုလ်၊ စီးပွားရေးအဖွဲ့အစည်း၊ ကုမ္ပဏီ သို့မဟုတ် ဘဏ် သို့မဟုတ် ငွေကြေးအဖွဲ့အစည်းထံမှ မဆို ငွေချေးယူရန်။

အထွေထွေအစည်းအဝေးကြီးများ

၁၅။ ကုမ္ပဏီကိုဥပဒေအရဖွဲ့စည်းတည်ထောင်ပြီးသည့်နေ့မှတစ်ဆယ့်ရှစ်လအတွင်း အထွေထွေ သင်းလုံးကျွတ် အစည်းအဝေး ကြီးကို ကျင်းပရမည်။ ထို့နောက်ဒါရိုက်တာအဖွဲ့က သတ်မှတ်ပေးသည့် အချိန်နှင့်နေရာ များတွင်ပြက္ခဒိန်နှစ်တစ်နှစ်လျှင်အနည်းဆုံးတစ်ကြိမ်(နောက်ဆုံးကျင်းပသည့် အထွေထွေအစည်း အဝေးကြီး နှင့် တစ်ဆယ့်ငါးလထက် မပိုသည့်အချိန်၌) ကျင်းပရမည်။ သင်းလုံးကျွတ် အစည်းအဝေးစတင်၍ လုပ်ငန်းအတွက် ဆွေးနွေးချိန်တွင် အစည်းအဝေးအထမြောက်ရန် သတ်မှတ်သည့် အစုရှင်အရေအတွက် မတက်ရောက်သော မည်သည့်သင်းလုံးကျွတ်အစည်းအဝေးတွင်မဆို လုပ်ငန်းနှင့်ပတ်သက်၍ ဆုံးဖြတ် ဆောင်ရွက်ခြင်းမပြုရ။ ဤတွင်အခြားနည်းသတ်မှတ်ပြဋ္ဌာန်းခြင်းမရှိလျှင် ထုတ်ဝေထားသည့် မ,တည် ရင်းနှီးငွေ အစုရှယ်ယာများ၏ ငါးဆယ်ရာခိုင်နှုန်း ထက်မနည်းပိုင်ဆိုင်ကြသည့် (နှစ်ဦးထက်မနည်းသော) အစုရှင်များ ကိုယ်တိုင်တက်ရောက်လျှင် လုပ်ငန်းကိစ္စအားလုံးဆောင်ရွက်ရန်အတွက် အစည်းအဝေး အထမြောက် သည့်ဦးရေ ဖြစ်သည်။ အကယ်၍ ကုမ္ပဏီတွင် အစုရှင်အရေအတွက် နှစ်ဦးတည်းသာ ရှိသည့်ကိစ္စတွင်မူ ထိုနှစ်ဦးတည်းသည်ပင်လျှင် အစည်းအဝေး အထမြောက်ရန် သတ်မှတ်သည့် အရေအတွက် ဖြစ်စေရမည်။

အမြတ်ဝေစုများ

၁၆။ သင်းလုံးကျွတ် အစည်းအဝေးတွင် ဤကုမ္ပဏီ၏အစုရှင်များအားခွဲဝေပေးမည့် အမြတ်ဝေစုကို ကြေငြာရမည်။ သို့ရာတွင် အမြတ်ဝေစုသည် ဒါရိုက်တာများက ထောက်ခံသော ငွေပမာဏထက် မကျော်လွန်စေရ။ သက်ဆိုင်ရာနှစ်၏ အမြတ်ပမာဏ သို့မဟုတ် အခြားမခွဲဝေရသေးသည့် အမြတ်ပမာဏမှအပ အမြတ်ဝေစုကို ခွဲဝေမပေးရ။

ရုံးဝန်ထမ်းများ

၁၇။ ကုမ္ပဏီသည် လုပ်ငန်းရုံးတစ်ခုကို ဖွင့်လှစ်၍ဆောင်ရွက်မည်ဖြစ်ပြီး အရည်အချင်းပြည့်မီသူ ပုဂ္ဂိုလ်တစ်ဦးအား အထွေထွေမန်နေဂျာအဖြစ် ခန့်အပ်ရန်နှင့် အခြားအရည်အချင်းပြည့်မီသူများ အား ရုံးဝန်ထမ်းများအဖြစ်ခန့်အပ်မည်ဖြစ်သည်။ လစာ၊ ခရီးသွားလာစရိတ်နှင့် အခြားအသုံးစရိတ်များ ကဲ့သို့သော ဉာဏ်ပူဇော်ခများနှင့် အခကြေးငွေများကို ဒါရိုက်တာအဖွဲ့က သတ်မှတ်မည်ဖြစ်ပြီး ၎င်း သတ်မှတ်ချက်များကို သင်းလုံးကျွတ်အစည်းအဝေးက အတည်ပြုရမည်။ အထွေထွေမန်နေဂျာသည် လုပ်ငန်းရုံး၏ ထိရောက်စွာလုပ်ငန်း လည်ပတ်မှုအားလုံးအတွက် တာဝန်ရှိစေရမည်ဖြစ်ပြီး မန်နေးဂျင်း ဒါရိုက်တာအားတာဝန်ခံ၍ ဆောင်ရွက်ရမည်။

ငွေစာရင်းများ

၁၈။ ဒါရိုက်တာများသည် သင့်လျော်သည့် ငွေစာရင်းစာအုပ်များကို အောက်ဖော်ပြပါသတ်မှတ်ချက်များ နှင့်အညီ ထားသိုထိန်းသိမ်းဆောင်ရွက်ရမည်။

(၁) ကုမ္ပဏီ၏ရငွေ၊သုံးငွေများ၏ပမာဏနှင့်၎င်းရငွေ၊သုံးငွေများဖြစ်ပေါ်ခြင်းနှင့်စပ်လျဉ်းသည့်အကြောင်းကိစ္စများ။

(၂) ကုမ္ပဏီ၏ ကုန်ပစ္စည်းများ ရောင်းချခြင်းနှင့် ဝယ်ယူခြင်းများ။

(၃) ဤကုမ္ပဏီ၏ ရရန်ပိုင်ခွင့်နှင့် ပေးရန်တာဝန်များ။

၁၉ ။ ငွေစာရင်းစာအုပ်အားလုံးကို ဤကုမ္ပဏီ၏ မှတ်ပုံတင်ထားသော လုပ်ငန်းရုံးများသို့မဟုတ် ဒါရိုက်တာ များက သင့်လျော်သည်ဟု ထင်မြင်ယူဆသော အခြားနေရာများတွင် သိမ်းဆည်းထားရမည်ဖြစ်ပြီး၊ ရုံးချိန်အတွင်း၌ ဒါရိုက်တာများက စစ်ဆေးနိုင်ရန် ပြသထားရမည်။

စာရင်းစစ်

၂၀။ စာရင်းစစ်များကို ခန့်အပ်ထားရမည်။ ၎င်းစာရင်းစစ်များ၏ တာဝန်သည် မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ သို့မဟုတ် အခါအားလျော်စွာ ပြင်ဆင်သတ်မှတ်သည့် စည်းမျဉ်း စည်းကမ်းများ နှင့် လိုက်လျောညီထွေဖြစ်ရမည်။

နို့တစ်စာ

၂၁။ ဤကုမ္ပဏီသည် မည်သည့်အစုရှင်ထံသို့မဆို နို့တစ်စာကို လက်ရောက်ပေးအပ်ခြင်း သို့မဟုတ် နို့တစ်စာပါသော စာကိုစာတိုက်ခ ကြိုတင်ပေးထား၍ ၎င်းအစုရှင်ထံ မှတ်ပုံတင်လိပ်စာအတိုင်း စာတိုက်မှတဆင့် လိပ်မူပေးပို့ခြင်းအားဖြင့် ပေးပို့နိုင်သည်။

တံဆိပ်

၂၂။ ဒါရိုက်တာများသည် တံဆိပ်ကို လုံခြုံစွာထိန်းသိမ်းထားရန်အတွက် စီမံဆောင်ရွက်ရမည်။ ထိုတံဆိပ်ကို ဒါရိုက်တာများက ကြိုတင်ပေးအပ်ထားသည့် ခွင့်ပြုချက်ဖြင့်မှတစ်ပါး၊ ထို့အပြင် အနည်းဆုံး ဒါရိုက်တာတစ်ဦး ရှေ့မှောက်တွင်မှတစ်ပါး မည်သည့်အခါမျှ မသုံးရ။ တံဆိပ်ရိုက်နှိပ်ထားသည့် စာရွက် စာတမ်းတိုင်းတွင် ထိုဒါရိုက်တာက လက်မှတ်ရေးထိုးရမည်။

လျော်ကြေး

၂၃။ မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေပုဒ်မ ၈၆ (ဂ) တွင် ဖော်ပြပါရှိသည့် ပြဋ္ဌာန်းချက်များ၊ လက်ရှိ တရားဝင် တည်ဆဲဥပဒေပြဋ္ဌာန်းချက်များနှင့် မဆန့်ကျင်စေဘဲ ကုမ္ပဏီ၏ ဒါရိုက်တာ၊ စာရင်းစစ်၊ အတွင်းရေးမှူးသို့မဟုတ် အခြားအရာရှိတစ်ဦးဦးမှာ မိမိ၏တာဝန်ဝတ္တရားများကို ဆောင်ရွက်ရာ၌ ဖြစ်စေ ထိုတာဝန်ဝတ္တရားများနှင့် စပ်လျဉ်း၍ဖြစ်စေ ကျခံခဲ့ရသည့်စရိတ်များ၊ တောင်းခံငွေများ၊ ဆုံးရှုံးငွေများ၊ ကုန်ကျငွေများနှင့် ကြွေးမြီးတာဝန်များ အတွက် ကုမ္ပဏီထံမှ လျော်ကြေးရထိုက်ခွင့် ရှိစေရမည်။

ဖျက်သိမ်းခြင်း

၂၄။ ကုမ္ပဏီ၏ အထွေထွေအစည်းအဝေး ဆုံးဖြတ်ချက်ဖြင့် ကုမ္ပဏီအား ဖျက်သိမ်းနိုင်သည်။ ယင်းသို့ ဖျက်သိမ်းရာတွင် မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေများနှင့် ယင်းဥပဒေများအား အခါအားလျော်စွာ ပြင်ဆင် ပြောင်းလဲထားသည့် တရားဥပဒေများတွင် ပါဝင်သည့် စည်းမျဉ်းများအတိုင်း လိုက်နာပြုလုပ်ရမည်။

❖ ❖ ❖ ❖ ❖ ❖ ❖

အောက်တွင် အမည်၊ နိုင်ငံသား၊ နေရပ်နှင့် အကြောင်းအရာစုံလင်စွာပါသော ဇယားတွင် လက်မှတ်ရေးထိုးသူ ကျွန်ုပ်တို့ ကိုယ်စီကိုယ်ငှသည် ဤသင်းဖွဲ့စည်းမျဉ်းအရ ကုမ္ပဏီတစ်ခုဖွဲ့စည်းရန် လိုလားသည့်အလျောက် ကျွန်ုပ်တို့၏ အမည်အသီးသီးနှင့် ယှဉ်တွဲ၍ပြထားသော အစုရှယ်ယာများကို ကုမ္ပဏီ၏ မတည်ရင်းနှီးငွေတွင် ထည့်ဝင်ရယူကြရန် သဘောတူကြပါသည်။

စဉ်	အစုထည့်ဝင်သူများ၏ အမည်၊ နေရပ်လိပ်စာနှင့် အလုပ်အကိုင်	နိုင်ငံသားနှင့် အမျိုးသား မှတ်ပုံတင်အမှတ်	ဝယ်ယူသော အစုရှယ်ယာ ဦးရေ	ထိုးမြဲလက်မှတ်
၁။	ဦးကျော်ကျော်လှိုင် အမှတ်(၁၈၂/ဘီ)၊ ဓမ္မစေတီလမ်း၊ အနောက်ရွှေဂုံတိုင်ရပ်ကွက်၊ ဗဟန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၁၂/စခန(နိုင်) -၀၅၆၀၀၇	၂၀၀	Ky Ky Hlaing
၂။	ဒေါ်ရတနာစုလှိုင် အမှတ်(၁၈၂/ဘီ)၊ ဓမ္မစေတီလမ်း၊ အနောက်ရွှေဂုံတိုင်ရပ်ကွက်၊ ဗဟန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၁၂/ဘဟန(နိုင်) -၀၉၂၉၀၆	၁၅၀	Yadanahsuhlaing
၃။	ဦးချစ်ညီညီလှိုင် အမှတ်(၁၈၂/ဘီ)၊ ဓမ္မစေတီလမ်း၊ အနောက်ရွှေဂုံတိုင်ရပ်ကွက်၊ ဗဟန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၁၂/ဘဟန(နိုင်) -၀၈၈၃၇၉	၁၅၀	Chit Nyi Nyi Hlaing

မြို့။ နေ့စွဲ၊ ခုနှစ်၊ လ၊ ရက်။

အထက်ပါလက်မှတ်ရှင်များသည် ကျွန်ုပ်တို့၏ရှေ့မှောက်တွင် လက်မှတ်ရေးထိုးကြပါသည်။

U NYEIN TIN
LL.B
ADVOCATE

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Memorandum Of Association

OF

SMART E & P INTERNATIONAL COMPANY LIMITED.

❖ ❖ ❖ ❖ ❖ ❖ ❖

I. The name of the Company is SMART E & P INTERNATIONAL COMPANY LIMITED.

II. The registered office of the Company will be situated in the Union of Myanmar.

III. The objects for which the Company is established are as on the next page.

IV. The liability of the members is limited.

V. The authorised capital of the Company is Ks- **500,000,000** /- (Kyats **Five Hundred Million** Only) divided into (**5,000**) shares of Ks. **100,000** /- (Kyats **One Hundred Thousand** Only) each, with power in General Meeting either to increase, reduce or alter such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf.

We, the several persons, whose names, nationalities, addresses and descriptions are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Sr. No.	Name, Address and Occupation of Subscribers	Nationality & N.R.C No.	Number of shares taken	Signatures
1.	U Kyaw Kyaw Hlaing No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Ynagon. (Merchant)	Myanmar 12/Sa Kha Na (N)-056008	200	
2.	Daw Yadanar Su Hlaing No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Ynagon. (Merchant)	Myanmar 12/Ba Ha Na (N)-092906	150	
3.	U Chit Nyi Nyi Hlaing No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Ynagon. (Merchant)	Myanmar 12/Ba Ha Na (N)-088379	150	

Township. Dated the day of

It is hereby certified that the persons mentioned above put their signatures in my presence.

U NYEIN TIN
LL.B
ADVOCATE

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Articles Of Association

OF

SMART E & P INTERNATIONAL COMPANY LIMITED.

❖ ❖ ❖ ❖ ❖ ❖ ❖

1. The regulations contained in Table 'A' in the First Schedule to the Myanmar Companies Act shall apply to the Company save in so far as such regulations which are inconsistent with the folowing Articles. The compulsory regulations stipulated in Section 17 (2) of the Myanmar Companies Act shall always be deemed to applyy to the Company.

PRIVATE COMPANY

2. The Company is to be a Private Company and accordingly following provisions shall have effect:-

   (a) The number of members of the Company, exclusive of persons who are in the emplooyment of the Company, shall be limited to fifty.

   (b) Any invitation to the public to subscribe for any share or debenture or debenture stock of the Company is hereby prohibited.

CAPITAL AND SHARES

3. The Authorised Capital of the Company is Ks. **500,000,000** /- (Kyats **Five Hundred Million** only) divided into (**5,000**) shares of Ks **100,000** /- (Kyats **One Hundred Thousand** Only) each,with power in General Meeting either to mcrease, reduce or alter such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf.

4. Subject to the provisions of the Myanmar Companies Act the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons and on such terms and conditions as they may determine.

5. The certificate of title to share shall be issued under the Seal of the Company, and signed by the General Manager or some other persons nominated by the Board of Directors. If the share certificate is defaced, lost or derstroyed, it may be renewed on payment of such fee, if any, and on such terms, if any, as to eevidence and indemnity as the Directors may think fit. The legal representative of a deceased member shall be recognised by the Directors.

6. The Directors may, from time to time make call upon the members in respect of any money unpaid on their shares, and each member shall be liable to pay the amount of every call so made upon him to the persons, and at the timesand places appointed by the Direcors. A call may be made payable by instalments or may be revoked or postponed as the Directors may determine.

DIRECTORS

7. Unless otherwise determined by a General Meeting the number of Directors shall not be less than (2) and not more than (19).

The First Directors shall be:-

(1) U Kyaw Kyaw Hlaing

(2) Daw Yadanar Su Hlaing .....and

(3) U Chit Nyi Nyi Hlaing.

8. The Directors may from time to time appoint one of their body to the offce of the Managing Director for such terms and at such remuneration as they think fit and he shall have all the powers delegated to him by the Board of Directors from time to time.

9. The qualification of a Director shall be the holding of at least (-) shares in the Company in his or her own name and it shall be his duty to comply with the provision of Section (85) of the Myanmar Companies Act.

10. The Board of Directors may in their absolute and uncontrolled discretion refuse to register any proposed transfer of shares without assigning any reason.

PROCEEDINGS OF DIRECTORS

11. The Director may meet together for the despatch of business, adjourn and otherwise regulate their meeting as they think fit and determine the quorum necessary for the transaction of business. Unless otherwise determined, two shall from a quorum. If any question arising an any meeting the Managing Director's decision shall be final. When an matter is put to a vote and if there shall be an equality of votes, the Chairman shall have a second or casting vote.

12. Any Director may at any time summon a meeting of Directors.

13. A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed out at meeting of the Directors, duly called, held and constituted.

POWERS AND DUTIES OF DIRECTORS

14. Without prejudice to the general power conferred by Regulation 71 of the Table "A" of the Myanmar Companies Act, it is hereby expressly declared that the Directors shall have the following powers, that is to say power:-

(1) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price, and generally on such terms and conditions as they think fit; also to sell, lease, abandon or otherwise deal with any property, rights or privileges to which the Company may be entitled, on such terms and conditions as they may think fit.

(2) To raise, borrow or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debentures stocks of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

(3) At their discretion, to pay for any rights acquired or services rendered to the Company, either wholly or partially in cash or in shares, bonds , debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up there on as may be agreed upon ; and any such bonds, debentures or other securities may be either specifically charged up on all or any part of the property of the Company and its uncalled capital or not so charged.

(4) To secure the fulfilment of any contract or engagement entered into by the Company by mortgage or charge upon all or any of the property of the Company and its uncalled capital for the time being or by granting calls on shares or in such manner as they may think fit.

(5) To appoint at their discretion, remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and Servants for permanent, temporary or special services as they may from time to time think fit and to determine their duties and powers and fix their salaries or emoluments and to require security in such instances in such amount as they think fit and to depute any officers of the Company to do all or any of these things on their behalf.

(6) To appoint a Director as Managing Director , General Manager , Secretary or Departmental Manager in conjunction with his Directorship of the Company.

(7) To accept from any member on such terms and conditions as shall be agreed on the surrender of his shares or any part thereof.

(8) To appoint any person or persons to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust.

(9) To institute conduct , defend of abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due to or of any claims and demands by or against the Company.

(10) To refer claims and demands by or against the Company to arbitration and to observe and perform the awards.

(11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Conpany.

(12) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.

(13) To determine who shall be entitled to sign bills of exchange , cheques, promissory notes zreceipts,endorsements,releases, contracts and documents for or on behalf of the Company.

(14) To invest,place on deposit and otherwise deal with any of the moneys of the Company not immediately required for the purpose thereof, upon securities or without securities and in such manners as the Directors may think fit, and from time to time vary or realize such investments.

(15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future)as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.

(16) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profit of the Company and such commission or share of profit shall be treated as part of the working expenses of the Company.

(17) From time to time, to make , vary and repeal bye- laws for the regulation of the business of the Company , the officers and servants or the members of the Company or any section thereof.

(18) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts , deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matter aforesaid or otherwise for the purposes of the Company.

(19) To borrow money for the benefit of the Company's business from any person, firm or company or bank or financial organization of local and abroad in the manner that the Directors shall think fit.

GENERAL MEETINGS

15. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter at least once in every calendar year at such time (not being more than fifteen months after the holding of the last preceeding general meeting) and places as may be fixed by the Board of Directors. No business shall be transacted at any general meeting unless a quorum of members is presented at the time when the meeting proceeds to business, save as herein otherwise provided Member holding not less than 50 percent of the issued shares capital (not less than two members) personally present, shall form a quorum for all purposes. And if and when in the case of there are only two number of members in the Company, those two members shall form a quorum.

DIVIDENDS

16. The Company in general meeting may declare a dividend to be paid to the members , but no dividend shall exceed the amount recommended by the Directors .No dividends shall be paid otherwise than out of the profits of the year or any other undistributed profits .

OFFICE STAFF

17. The Company shall maintain an office establisment and appoint a qualified person as General Manager and other qualified persons as office staffs . The remunerations and allowances such as salaries , travelling allowances and other expenditures incidental to the business shall be determined by the Board of Directors, and approved by the general meeting .The General Manager shall be responsible for the efficient operation of the office in every respect and shall be held accountable at all times to the Managing Director.

ACCOUNTS

18. The Directors shall cause to be kept proper books of account with respect to:-

(1) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place:

(2) all sales and purchases of goods by the Company ;

(3) all assets and liabilities of the Company.

19. The books of account shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be opened to inspection by the Directors during office hours.

AUDIT

20. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Myanmar Companies Act or any statutory modifications thereof for the time being in force.

NOTICE

21. A notice may be given by the Company to any member either personally or sending it by post in a prepaid letter addressed to his registered address.

THE SEAL

22. The Directors shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Directors previously given, and in the presence of one Director at least, who shall sign every instrument to which the Seal is affixed.

INDEMNITY

23. Subject to the provisions of Section 86 (C) of the Myanmar Companies Act and the existing laws, every Director, Auditor, Secretary or other officers of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of the duties or in relation thereto.

WINDING - UP

24. Subject to the provisions contained in the Myanmar Companies Act and the statutory modification thereupon, the Company may be wound up voluntarily by the resolution of General Meeting.

❖ ❖ ❖ ❖

We, the several persons, whose names, nationalities, addresses and descriptions are subscribed below, are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Sr. No.	Name, Address and Occupation of Subscribers	Nationality & N.R.C No.	Number of shares taken	Signatures
1.	U Kyaw Kyaw Hlaing No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Ynagon. (Merchant)	Myanmar 12/Sa Kha Na (N)-056008	200	
2.	Daw Yadanar Su Hlaing No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Ynagon. (Merchant)	Myanmar 12/Ba Ha Na (N)-092906	150	
3.	U Chit Nyi Nyi Hlaing No.(182/B), Damazedi Street, West Shwe Gondaing Ward, Bahan Township, Ynagon. (Merchant)	Myanmar 12/Ba Ha Na (N)-088379	150	

Township. Dated the day of

It is hereby certified that the persons mentioned above put their signatures in my presence.

U NYEIN TIN
LL.B
ADVOCATE

AUDIT REPORT

ON

THE FINANCIAL ACCOUNTS

OF

SMART E & P INTERNATIONAL COMPANY LIMITED.

FOR

THE YEAR ENDING 31st MARCH 2014.

SMART E & P INTERNATIONAL COMPANY LIMITED.

Financial Accounts for the Year ending 31 st March ' 2014

INDEX

FOCUS CONSULTING GROUP LTD
AUDITORS & FINANCIAL CONSULTANTS
No-180 (First Floor) Taw Win Myanmar Condo, Botataung Pagoda Road, Yangon, Myanmar.
Ph: (951) 297249, (951) 9010203~204
gmail: focusgroup.financial@gmail.com

DAW THANT MYAT WIN
MYANMAR
CERTIFIED PUBLIC ACCOUNTANT

Auditor's Report

1. I have audited the accounts which are signed by Managing Director and Director of **"SMART E & P INTERNATIONAL COMPANY LIMITED."** in accordance with Myanmar Company Act Section 133(1) and (2).

2. The accompanying financial statement which include the balance sheet as on 31st March' 2014, with the income and expenditure for the year then ending is generally accepted in auditing practice and standards.

3. In accordance with the Section 145 (1) and (2) of the Myanmar Companies Act, we report that we have obtained all the information and explanations, we have required. In our opinion, the above Balance Sheet and Profit & Loss Account are in accordance with the Law and are properly drawn up so as to exhibit a true and fair view of the state of the Company's affairs, according to the best of information and explanations given to us and as shown by the books of the Company. The books of the Company have been kept in accordance with the Section (130) of the Myanmar Companies Act.

Yours Faithfully,

Daw Thant Myat Win
B.Com,(Q),C.P.A.Dip.IFR
Dip, In Business Law
Certified Public Accountant

STATEMENTS OF DIRECTORS

We, the undersigned Managing Director and Director of " **SMART E & P INTERNATIONAL COMPANY LIMITED.** " do here by state that in accordance with Section 133 (1) and (2) of the Myanmar Company Act ; -

(1) THAT Balance Sheet and Profit and Loss account were drawn up ending as at 31st , March' 2014, together with the schedule, statements, notes t o give a true and fair view of the state of the business.

(2) THAT there are reasonable grounds to belive that the company will be able to pay its debt as and when they fall due.

Managing Director

Kyaw Kyaw Hlaing
Managing Director
SMART E & P International Co.,Ltd.

Director

Yadana Su Hlaing
Director
SMART E & P International Co.,Ltd.

SMART E & P INTERNATIONAL COMPANY LIMITED.

Operating , Profit & Loss Account for the period ending 31st March 2014

	Kyats	Kyats
Operating Income		
Gross Profit/(Loss)		
Less: Operating Expenses		
Communication Charges	22,800.00	
Electricity Charges	24,000.00	
Printing & Stationary	13,200.00	
Travelling Expenses	27,600.00	
Office Expenses	48,000.00	
Company Formation Expenses	410,008.33	
Accounting Fees	15,000.00	
Auditing Fees	15,000.00	
		575,608.33
Net Profit / (Loss) for the year		**(575,608.33)**

SMART E & P INTERNATIONAL COMPANY LIMITED.

Balance Sheet as at 31st March 2014.

Assets	**Kyats**	**Kyats**
Fixed Assets	-	
Less : Depreciation	-	
Current Assets		
Company Formation Expenses	546,677.78	
Cash in Hand (Kyats)	48,594,375.00	
		49,141,052.78
Total Net Assets		**49,141,052.78**
Equity		
Authorised Share Capital		**500,000,000.00**
Paid- up Share Capital		50,000,000.00
Retained Earning		(888,947.22)
Current Liabilities		
Accrued Expenses	30,000.00	
		30,000.00
		49,141,052.78

I have examined the above Balance Sheet and connecting Operating Account, vouchers, documents provided and obtained all the information's necessary. In my opinion, the Balance Sheet show a true and fair view of the state of affairs of the business as at 31st March 2014 according to the best of information and explanation given to me as shown by the books.

The above Balance Sheet is to be read with "Audit Forwarding Report, Audit Notes and Observations" and subject to adjustments where necessary.

Daw Thant Myat Win
B.Com,(Q),C.P.A.Dip.IFR
Dip, In Business Law
Certified Public Accountant

Kyaw Kyaw Hlaing
Managing Director
SMART E & P International Co.,Ltd.

Yadana Su Hlaing
Director
SMART E & P International Co.,Ltd.

Appendix - I

SMART E & P INTERNATIONAL COMPANY LIMITED.

Cash Flow Analysis Statement

for the year ending 31st March 2014.

Cash in Hand (Kyats) Account

	Kyats	Kyats
Opening Balance		48,749,975.00
Cash receipts during the year		
		48,749,975.00
Cash disbursements during the year		
Administration & General Expenses		
Communication Charges	22,800.00	
Electricity Charges	24,000.00	
Printing & Stationary	13,200.00	
Travelling Expenses	27,600.00	
Office Expenses	48,000.00	
		135,600.00
Accrued Expenses	20,000.00	
		20,000.00
		155,600.00
Closing Balance as at 31st March 2014.		**48,594,375.00**

> ၂၀၀၈ ခုနှစ် ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်ဖွဲ့စည်းပုံ အခြေခံ ဥပဒေပုဒ်မ ၃၈၉ အရ နိုင်ငံသားတိုင်းသည်
> ဥပဒေအရ ပေးဆောင်ရမည့် အခွန်အကောက်များကို ပေးဆောင်ရန် တာဝန်ရှိသည်။

ပတခ (ဝင)-၈

ဝင်ငွေခွန် ဥပဒေပုဒ်မ ၅၃ အရ အခွန်တောင်းခံလွှာ

အခွန်ထမ်းမှတ်ပုံတင်စာရင်းအမှတ်- 14026/MCO

CDN- 2936/31-12-2014

သို့

Smart E & P International Co., Ltd
မြို့တော်ဘဏ်တိုက်၊ ၅ လွှာ၊ ဗညားဒလလမ်း၊ မင်္ဂလာတောင်ညွန့်။

၁။ ၂၀၁၄- ၂၀၁၅ စည်းကြပ်နှစ်အတွက် လူကြီးမင်းသည်ကျောဘက်ပါပုံစံတွင် အသေးစိတ်ဖော်ပြထားချက်အရ အောက်ပါငွေကို ပေးဆောင်ရန် အကြောင်းကြားပါသည်။

ကျပ်	ပြား
အမှုပိတ်	

(က) ဝင်ငွေခွန် -----
(ခ) ပုဒ်မ ၁၆ (ဓ) အရ ဒဏ်ငွေ -----
(ဂ) ပုဒ်မ ၄၀ (က) အရ ဒဏ်ငွေ -----
(ဃ) ပုဒ်မ ၄၆ (က) အရ ဒဏ်ငွေ -----
(င) ပုဒ်မ ၄၇ (ခ) အရ ဒဏ်ငွေ -----
(စ) ပုဒ်မ ၄၇ (ဂ) အရ ဒဏ်ငွေ -----

စုစုပေါင်း -----

၂။ အထက်ဖော်ပြပါ ငွေစုစုပေါင်းကို ရန်ကုန်မြို့ရှိ သက်ဆိုင်ရာဘဏ်ခွဲ (၁)တွင် ၂၀-၁-၂၀၁၄ နေ့၌ ဖြစ်စေ၊ ထိုနေ့ မတိုင်မီဖြစ်စေ ပူးတွဲပါ ငွေသွင်းပြေစာပုံစံဖြင့်ပေးသွင်းပြီး ငွေလက်ခံဖြတ်ပိုင်းကို ရယူစေလိုပါသည်။

၃။ အထက်အပိုဒ် (၁) တွင် ဖော်ပြထားသည့်အခွန်နှင့်ဒဏ်ငွေ စုစုပေါင်းကို ပေးဆောင်ရန် ပျက်ကွက်ပါက ပုဒ်မ ၄၀ (က) အရထိုတောင်းခံငွေ စုစုပေါင်းနှင့် ညီမျှသည့်အထိ ဒဏ်ငွေတပ်ရိုက်ခြင်းနှင့် တရားစွဲဆို အရကောက်ခံခြင်း ခံရဖွယ်ရှိပါ၍ မပျက်မကွက် ပေးဆောင်စေလိုပါသည်။

၄။ စည်းကြပ်မှုကို ပုဒ်မ ၁၉ (ဃ) အရ ပြုလုပ်ထားသည်မှာ လူကြီးမင်းသည်-
ပုဒ်မ ၁၇ အရ ဝင်ငွေကြေညာလွှာတင်သွင်းရန်
ပုဒ်မ ၁၉ (ခ) အရ လိုအပ်သည့်အတိုင်း ဆောင်ရွက်ရန် ပျက်ကွက်ခဲ့ခြင်းကြောင့်ဖြစ်ပါသည်။

၅။ စည်းကြပ်မှု သို့မဟုတ် ဒဏ်ငွေတပ်ရိုက်မှုကို အယူခံလိုပါက ဤအကြောင်းကြားစာ ရရှိပြီး ကပ်လျက်ဖြစ် သောနောက်နေ့မှ ရက်ပေါင်း ၃၀ အတွင်း ဝင်ငွေခွန် ဥပဒေပုဒ်မ ၃၂ (က) အရ၊ ---------------------------- မြို့ရှိ ------------------------ တိုင်းဒေသကြီး/ပြည်နယ်အခွန်ဦးစီးဌာနမှူးရုံး သို့မဟုတ် ကုမ္ပဏီများဆိုင်ရာအခွန်ရုံးသို့ ပြဋ္ဌာန်းထားသော အယူခံမဝင်မီ အခွန်ငွေကို အကျေပေးဆောင်ပြီးဖြစ်ရပါမည်၊ သို့မဟုတ် -------------- မြို့နယ်အခွန် ဦးစီးဌာနမှူးထံ ဆိုင်ရာပြဋ္ဌာန်းချက်အရ လျှောက်ထား၍ ယင်း၏ဆုံးဖြတ်ချက်အတိုင်း ဆောင်ရွက်ထားပြီး ဖြစ်ရပါမည်။

ရုံးတံဆိပ်

နေ့စွဲ၊ ၃၁-၁၂-၂၀၁၄

(ခင်စန်းစန်းမော်)
ဦးစီးအရာရှိ
ကုမ္ပဏီများဆိုင်ရာအခွန်ရုံး

ဝင်ငွေအမျိုးအစားအလိုက် သတ်မှတ်မှု

ဝင်ငွေရလမ်း		သတ်မှတ်သည့်ဝင်ငွေ
၁။ လစာ	--------	
၂။ အသက်မွေးဝမ်းကျောင်းပညာလုပ်ငန်း	--------	
၃။ စီးပွားရေးလုပ်ငန်း	----------	အမှုပိတ်
၄။ ပစ္စည်း	----------	
၅။ အခြေပစ္စည်းမှ မြတ်စွန်းငွေ	----------	
၆။ ဝင်ငွေရလမ်း မဖော်ပြနိုင်သည့်ဝင်ငွေ	----------	
၇။ အခြားရလမ်းများမှ ဝင်ငွေ	----------	
စုစုပေါင်း		
* သက်သာခွင့်များ	----------	
အခွန်စည်းကြပ်ရန် အသားတင်ဝင်ငွေ	----------	
ကျသင့် ဝင်ငွေခွန်	----------	
နုတ်- ပုဒ်မ ၁၆ အရ ပေးဆောင်ပြီးအခွန်	----------	
ပေးဆောင်ရန်ကျန်/ ပြန်အမ်းရန် အခွန်	----------	

- သက်သာခွင့်များ

(၁) အခြေခံ ---- ကျပ် --------------------------------

(၂) အိမ်ထောင်ဖက်အတွက် ---- ကျပ် --------------------------------

(၃) သားသမီးများအတွက် ---- ကျပ် --------------------------------

(၄) အခွန်ထမ်းနှင့် အိမ်ထောင်ဖက်၏
အသက်အာမခံအတွက် ---- ကျပ် --------------------------------

(၅) စုဆောင်းငွေ အတွက် ---- ကျပ် --------------------------------

(၆) လှူဒါန်းငွေ အတွက် ---- ကျပ် --------------------------------

စုစုပေါင်း ---- ကျပ်

(ပူးတွဲ-၂)

တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-15 ၌ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် စင်ကာပူနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် TRG M15 Pte. Ltd. ၊ CFG Energy Pte. Ltd. နှင့် မြန်မာနိုင်ငံမှ Century Bright Gold Co.,Ltd. တို့သည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်ကို လက်မှတ်ရေးထိုးချုပ်ဆိုမည် ဖြစ်ပါသည်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ရန် ကမကထပြုသူ၏ ဆောင်ရွက်ရန် အဆိုပြုချက်

PROPOSAL OF THE PROMOTER TO MAKE FOREIGN INVESTMENT IN THE REPUBLIC OF THE UNION OF MYANMAR

Form (I)

Proposal Form of Promoter for the Investment to be made in the Republic of the Union of Myanmar

To.

Chairman,
Myanmar Investment Commission,

Reference No. 008/909/P(၁၅၄/2015)
Date. 11 March, 2015.

I do apply for the permission to make investment in the Republic of the Union of Myanmar in accordance with the Foreign Investment Law by furnishing the following particulars-

1. Promoter's-

(a)	Name	DIRECTOR GENERAL.
(b)	Father's name	ENERGY PLANNING DEPARTMENT.
(c)	National Registration No.	MINISTRY OF ENERGY.
(d)	Citizenship	MYANMAR.
(e)	Address	BUILDING NO.6, NAY PYI TAW, MYANMAR.
(f)	Name of principle organization	MINISTRY OF ENERGY.
(g)	Type of business	PETROLEUM EXPLORATION AND DEVELOPMENT.
(h)	Principle company's address	BUILDING NO.6, NAY PYI TAW, MYANMAR.

2. If the investment business is formed under Joint Venture, partners-

(a)	Name	TRG M15 PTE. LTD.+ CFG ENERGY PTE. LTD. + CENTURY BRIGHT GOLD CO., LTD.
(b)	Father's name	TRG METALS PTY LTD. + CANADIAN FORESIGHT GROUP PTE. LTD. + CENTURY BRIGHT GOLD CO., LTD.
(c)	National Registration No.	SINGAPORE + MYANMAR
(d)	Citizenship	AUSTRALIA + CANADA + MYANMAR

(e) Address -

(i) Address in Myanmar - CENTURY BRIGHT GOLD CO. LTD.
NO. 4/6, ROOM NO. 6-3/4/5, GROUND FL,
KANDAWGYI TOWER, KYAIKKASAN
ROAD, MAUGONE QTY, TAMWE TSP,
YANGON, MYANMAR
TEL: 95-1-554928
FAX: 95-1-554907

(ii) Residence abroad - TRG M15 PTE. LTD.
261 LAVENDER ST., #02-01
SINGAPORE, 338794,
TEL: +65 63963396
FAX: +65 63965396

- CFG ENERGY PTE. LTD.
732, UPPER CHANGI ROAD EST, #01-04
CASCADALE, SINGAPORE 486860
TEL: +65 63250584
FAX: +65 63250585

(f) Parent company - TRG METALS PTY LTD.
- CANADIAN FORESIGHT GROUP PTE LTD.
- CENTURY BRIGHT GOLD CO. LTD.

(g) Type of business PETROLEUM.

(h) Parent company's address – TRG METALS PTY LTD.
LEVEL 14, 191 ST GEORGE'S TERRACE,
PERTH, WESTERN AUSTRALIA 6000
TEL: +61 8 9321 5922
FAX: +61 8 9321 5932

- CANADIAN FORESIGHT GROUP PTE LTD.
SUITE 800, 717-7TH AVENUE S.W,
CALGARY, ALBERTA, T2P 4K9, CANADA
TEL: +1 587 353 3711
FAX: +1 403 452 0907

- CENTURY BRIGHT GOLD CO. LTD.
NO. 4/6, ROOM NO. 6-3/4/5, GROUND FL,
KANDAWGYI TOWER, KYAIKKASAN
ROAD, MAUGONE QTY, TAMWE TSP,
YANGON, MYANMAR
TEL: 95-1-554928
FAX: 95-1-554907

Remark: The following documents need to attach according to the above paragraph (1) and (2):-

(1) Company registration certificate (copy);

(2) National Registration Card (copy) and passport (copy);

(3) Evidences about the business and financial conditions of the participants of the proposed investment business;

3. Type of proposed investment business -

(a) Production PETROLEUM

(b) Service business related with manufacturing

(c) Service

(d) Others

Remark: Expressions about the nature of business with regard to the above paragraph (3)

4. Type of business organization to be formed:-

(a) One hundred percent

(b) Joint Venture

(i) Foreigner and citizen TRG M15 PTE. LTD. 10%, CFG ENERGY PTE. LTD 80%, CENTURY BRIGHT GOLD CO. LTD. 10%.

(ii) Foreigner and Government department/organization
IN COMMERCIAL PRODUCTION PERIOD MYANMA OIL AND GAS ENTERPRISE 20%, THE REST 80% (TRG M15 PTE. LTD. 8%, CFG ENERGY PTE. LTD. 64%, CENTURY BRIGHT GOLD CO. LTD. 8%)

(c) By contractual basis

(i) Foreigner and citizen

(ii) Foreigner and Government department/organization

(to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

Remark: The following information needs to attach for the above Paragraph(4):-

(i) Share ratio for the authorized capital from abroad and local, names, citizenships, addressed and occupations of the directors;

(ii) Joint Venture Agreement (Draft) and recommendation of the Union Attorney General Office if the investment is related with the State;

(iii)Contract (Agreement) (Draft)

5. Particulars relating to company incorporation -

   (a) Authorized Capital
   (b) Type of share PRODUCTION SHARING CONTRACT.
   (c) Number of shares

Remark: Memorandum of Association and Articles of Association of the Company shall be submitted with regard to above paragraph 5.

6. Particulars relating to capital of the investment business-

		Kyat/US$ (Million)
(a)	Amount of local capital to be contributed	-
(b)	Amount of foreign capital To be brought in	131.00 MMUS$
	Total	**131.00 MMUS$**

   (c) Annually or period of proposed capital to be brought in - 2015 to 2022
   (d) Last date of capital brought in 2022
   (e) Proposed duration of investment 7 Year
   (f) Commencement date of construction 2015
   (g) Construction period 2015 to 2022

Remark: Describe with annexure if it is required for the above Para 6(c).

7. Detail list of foreign capital to be brought in -

		Foreign Currency (Million)	Equivalent Kyat (Million)
(a)	Foreign currency (Type and amount)	131.00 MMUS$	
(b)	Machinery and equipment and Value (to enclose detail list)	WILL BE FURNISHED LATER.	
(c)	List of initial raw materials and Value (to enclose detail list)		
(d)	Value of licence, intellectual Property, industrial design, trade mark, patent rights, etc.		
(e)	Value of technical know-how		
(f)	Others		
	Total	**131.00 MUS$**	

Remark: The evidence of permission shall be submitted for the above para 7 (d) and (e).

8. Details of local capital to be contributed -

Kyat (Million)

(a) Amount

(b) Value of machinery and equipment
(to enclose detail list) WILL BE FURNISHED LATER.

(c) Rental rate for building / and

(d) Cost of building construction

(e) Value of furniture and assets
(to enclose detail list) WILL BE FURNISHED LATER.

(f) Value of initial raw material requirement
(to enclose detail list)

(g) Others

Total ____________

9. Particulars about the investment business –

(a) Investment location(s)/place OFFSHORE BLOCK M-15

(b) Type and area requirement for land or land and building

(i) Location TANINTHARYI OFFSHORE AREA

(ii) Number of land/building and area

(iii) Owner of the land

(aa) Name/company/department

(bb) National Registration Card No.

(cc) Address

(iv) Type of land

(v) Period of land lease contract

(vi) Lease period

(vii) Lease rate

(aa) Land

(bb) Building

(viii) Ward

(ix) Township

(x) State/Region

(xi) Lessee

(aa) Name/Name of Company/Department

(bb) Father's name

(cc) Citizenship

(dd) ID No./Passport No.

(ee) Residence Address

Remark: Following particulars have to enclosed for above Para 9(b)

(i) to enclose land map, land ownership and ownership evidences ;

(ii) draft land lease agreement, recommendation from the Union Attorney General if the land is related to the State ;

(c) Requirement of building to be constructed;

(i) Type/number of building

(ii) Area

(d) Product to be produced/Service

(i) Name of product

(ii) Estimate amount to be produced annually

(iii) Type of service CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(iv) Estimate value of service annually

Remark: Detail list shall be enclosed with regard to the above para 9 (d).

(e) Annual requirement of materials/raw materials.

Remark: According to the above para 9(e) detail list of products in terms of type of products, quantity, value, technical specifications for the production shall be listed and enclosed.

(f) Production system

(g) Technology

(h) System of sales EXPORT & DOMESTIC SALES TO MYANMA OIL AND GAS ENTERPRISE

(i) Annual fuel requirement
(to prescribe type and quantity)

(j) Annual electricity requirement OWN GENERATOR

(k) Annual water requirement
(to prescribe daily requirement, if any)

10. Detail information about financial standing -

(a) Name/company's name TRG METALS PTY LTD., CANADIAN FORESIGHT GROUP PTE. LTD., CENTURY BRIGHT GOLD CO. LTD.

(b) ID No./ National Registration Card No./Passport No.

(c) Bank Account No.

Remark: To enclose bank statement from resident country or annual audit report of the principle company with regard to the above para 10.

11. Number of personnel required for the proposed economic activity:

(a) Local personnel ( ) number ( )%
WILL BE FURNISHED LATER.

(b) Foreign experts and technicians ( ) number ( )%
WILL BE FURNISHED LATER.

(Engineer, QC, Buyer, Management, etc. based on the nature of business and required period)

Remark: As per para 11 the following information shall be enclosed:-

(i) Number of personnel, occupation, salary, etc;

(ii) Social security and welfare arrangements for personnel;

(iii) Family accompany with foreign employee ;

12. Particulars relating to economic justification :-

			Foreign Currency	**Equivalent Estimated Kyat**	
		STUDY Period (1 Yrs)	Initial Exploration Period (3Yrs)	1st Extension Period (2Yrs)	2nd Extension Period (1Yr)
(a)	Annual income		-	-	-
(b)	Annual expenditure (MMUS$)	1.00	70.00	29.00	25.00
(c)	Annual net profit		-	-	-
(d)	Yearly investments (MMUS$)	1.00	70.00	29.00	25.00
(e)	Recoupment period		-	-	-
(f)	Other benefits (to enclose detail calculation)		-	-	-

13. Evaluation of environmental impact:- WILL BE FURNISHED LATER.

(a) Organization for evaluation of environmental assessment;

(b) Duration of the evaluation for environmental assessment; EIA/SIA

6 MONTHS (0.25 MMUS$)

(c) Compensation programme for environmental damages

(d) Water purification system and waste water treatment system;

(e) Waste management system;

(f) System for storage of chemicals

14. Evaluation on social impact assessments; WILL BE FURNISHED LATER.

(a) Organization for evaluation of social impact assessments;

(b) Duration of the evaluation for social impact assessments; EIA/SIA

6 MONTHS

(c) Corporate social responsibility programme;

Signature

Name U Pe Zin Tun

Designation Director General

Energy Planning Department

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JOINT OPERATING AGREEMENT

CFG ENERGY PTE. LTD.

AND

TRG M15 PTE. LTD.

AND

CENTURY BRIGHT GOLD CO., LTD

COVERING:

OFFSHORE BLOCK M-15

MYANMAR

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JOINT OPERATING AGREEMENT

THIS AGREEMENT is made as of ______________ among:

CFG Energy Pte. Ltd., a company existing under the laws of Singapore and having registration/identification number 201414557N ("**CFG**");

TRG M15 Pte. Ltd, a company existing under the laws of Singapore and having registration/identification number 201429502R ("**TRGM**"); and

Century Bright Gold Co., Ltd a company existing under the laws of Myanmar and having its registered office at 6th Floor, Sayarsan Plaza, Corner of Sayarsan Road and New University Avenue Road, Bahan Township, Yangon, Myanmar ("**CBG**").

A. The companies named above may sometimes individually be referred to as a "**Party**" and collectively as the "**Parties**".

B. This Agreement is premised on the fact that:

B1. The Parties will enter into a Production Sharing Contract (the "**Contract**") with the Myanma Oil and Gas Enterprise covering certain areas located offshore in Myanmar commonly known as Block M-15; and

B2. The Parties desire to define their respective rights and obligations concerning operations and activities under the Contract.

C. In consideration of the premises set out above and the mutual covenants, agreements, and obligations set out below and to be performed, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

As used in this Agreement, the following capitalized terms shall have the meaning ascribed to them below:

Accounting Procedure means the rules, provisions, and conditions contained in Exhibit A.

Acquired Party means the Party subject to a Change in Control.

Acquirer means the Party or third party proposing to acquire Control in a Change of Control.

AFE means an authorization for expenditure under Article 6.8.

Affiliate means a legal entity that at any time Controls, is Controlled by, or is Controlled by an entity that Controls, a Party.

Agreed Interest Rate means interest compounded on a monthly basis, at LIBOR plus two (2) percentage points, applicable on the first Business Day before the due date of payment and afterwards on the first Business Day of each succeeding Calendar Month. If the resulting rate is contrary to any applicable usury law, then the rate of interest to be charged shall be the maximum rate permitted by applicable law.

Agreement means this agreement, together with the Exhibits attached to this agreement, and any extension, renewal, or amendment agreed to in writing by the Parties.

Anti-Bribery Laws and Obligations means for each Party: (i) the Laws relating to combating bribery and corruption, and/or the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries; and (ii) the laws relating to combating bribery and corruption in the countries of such Party's place of incorporation, principal place of business, and/or place of registration as an issuer of securities, and/or in the

countries of such Party's ultimate parent company's place of incorporation, principal place of business, and/or place of registration as an issuer of securities.

Appraisal Operations means operations and activities, including acquiring G&G Data, drilling Appraisal Wells, and conducting front end engineering and design (FEED) and other engineering, infrastructure, and market studies, after a Discovery is made in order to evaluate the quantitative and qualitative parameters of such Discovery and assessing whether such Discovery is a Commercial Discovery.

Appraisal Plan means an overall plan and cost estimate for Appraisal Operations concerning a Discovery.

Appraisal Well means any well (other than an Exploration Well or a Development Well), whose purpose at the time drilling commences, is to evaluate the areal extent of an existing Discovery and/or the volume of Hydrocarbon reserves contained in an existing Discovery.

Business Day means a Day on which the banks in Yangon and Singapore are customarily open for business.

Calendar Month means one of the twelve (12) calendar months of the Gregorian Calendar commencing on the first Day of each calendar month.

Calendar Quarter means a period of three (3) consecutive Calendar Months commencing January 1 and ending March 31, commencing April 1 and ending June 30, commencing July 1 and ending September 30, or commencing October 1 and ending December 31.

Carrying Party has the meaning given to it in Article 6.8.B.

Cash Call means any request for the Parties to advance their respective Participating Interest shares of estimated cash requirements for the next Calendar Month's Joint Operations in accordance with an approved Work Program and Budget.

Cash Value means the portion of the total monetary value (expressed in U.S. dollars) of the consideration being offered by the proposed transferee (including any cash, other assets, and tax savings to the transferor from a non-cash deal) that reasonably should be allocated to the Participating Interest subject to the proposed Change in Control.

Change in Control means a direct or indirect change in Control of a Party (whether through merger, spin-off, sale of shares or other equity interests, or otherwise) through a single transaction or series of related transactions, from one or more transferors to one or more transferees except where the shares of that Party or any of its holding companies are or become listed on a recognised stock exchange (including the Australian Securities Exchange and the 'Alternative Investment Market' of the London Stock Exchange) and the change in Control occurs by reason of the allotment or transfer of, or any other dealing in, those shares.

Commencement of Operation Date has the meaning given to it in the Contract.

Commercial Discovery has the meaning given to it in the Contract.

Completion means operations intended to complete a well through the Christmas tree as a producer of Hydrocarbons in one or more Zones, including the setting of production casing, perforating, stimulating the well and production Testing conducted in such operation.

Consenting Party means a Party that agrees to participate in and pay its share of the cost of an Exclusive Operation.

Consequential Loss means any losses, damages, costs, or liabilities caused (directly or indirectly) by any of the following arising out of, relating to, or connected with this Agreement or the operations and/or activities carried out under this Agreement: (i) reservoir or formation damage; (ii) inability to produce, use or dispose of Hydrocarbons; (iii) loss or deferment of income; (iv) punitive damages; or (v) indirect damages or losses whether or not similar to the foregoing.

Contract means the instrument identified in the recitals to this Agreement including any extensions, renewals, and/or amendments.

Contract Area means as of the Effective Date the area that is described in Exhibit B. The perimeter of the Contract Area shall correspond to the area covered by the Contract, as such area may vary from time to time under the Contract.

Contract Year has the meaning given to it in the Contract.

Control means the ownership directly or indirectly of more than fifty (50) percent of the voting rights in a legal entity.

Cost Hydrocarbons means the portion of the Total Available Production of Hydrocarbons that is allocated to the Parties under the Contract and this Agreement for the recovery of the costs incurred by the Parties and recoverable under the Contract.

Crude Oil has the meaning given to it in the Contract.

Day means a Gregorian Calendar day unless otherwise specifically provided.

Decommissioning means all work required for the abandonment of Joint Property in accordance with good oil field practice and applicable legal obligations, including, where required, plugging of wells, abandonment, disposal, demolition, removal and/or cleanup of facilities, and any necessary site reclamation, remediation and restoration.

Decommissioning Costs means the costs of Decommissioning.

Decommissioning Response Deadline means as to each Party the thirtieth (30th) Day after receipt of Operator's notice of Decommissioning under Article 10.1.A.

Deepening means an operation to drill a well to an objective Zone below the deepest Zone in which such well was previously drilled, or below the deepest Zone proposed in the associated AFE (if required), whichever is the deeper.

Default Amount means the amount of the Defaulting Party's share of Joint Account charges that the Defaulting Party has failed to pay when due under this Agreement.

Default Interest Rate means interest compounded on a monthly basis, at LIBOR plus seven (7) percentage points, applicable on the first Business Day before the due date of payment and afterwards on the first Business Day of each succeeding Calendar Month. If the resulting rate is contrary to applicable usury law, then the rate of interest to be charged shall be the maximum rate permitted by such applicable law.

Default Notice means the notice of default given to a Defaulting Party.

Defaulting Party shall have the meaning ascribed in Article 8.1.A.

Default Period means the period beginning on the fifth (5th) Business Day after the date that the Default Notice is received under Article 8.1.A and ending when the Defaulting Party has remedied its default in full by paying the Total Amount in Default.

Delivery Point means the point at which title and risk of loss of each Party's Entitlement passes to such Party.

Development and Production Area has the meaning given to it in the Contract.

Development and Production Period has the meaning given to it in the Contract.

Development and Production Operations has the meaning given to it in the Contract.

Development Plan means a plan for development of a Commercial Discovery prepared by Operator or its Affiliate.

Development Well means any well drilled, whose purpose relates to the production of Hydrocarbons under a Development Plan.

Discovery has the meaning given to it in the Contract.

Dispute means any dispute, controversy, or claim (of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise) arising out of, relating to, or connected with this Agreement or the operations and activities carried out under this Agreement, including any dispute as to the construction, validity, interpretation, enforceability, breach, or termination of this Agreement.

Effective Date means the date that the Parties enter into the Contract with MOGE.

Encumbrance means with respect to any interest or asset, a mortgage, lien, pledge, charge, or other burden.

Entitlement means the quantity of Hydrocarbons (excluding all quantities used or lost in Joint Operations) that a Party has the right and obligation to own, take in kind, and dispose of under this Agreement and the Contract, as such right and obligation may be modified by any lifting, balancing, sales and other agreements entered into under Article 9.

Environmental Loss means any losses, damages, costs, or liabilities (other than Consequential Loss) caused by a discharge of Hydrocarbons, pollutants, or other contaminants into or onto any medium (including land, surface water, ground water and/or air) relating to this Agreement or the operations and activities carried out under this Agreement, including: (i) injury or damage to, or destruction of, natural resources or real or personal property; (ii) cost of pollution control, cleanup and removal; (iii) cost of restoration of natural resources; and (iv) fines, penalties, or other assessments.

Exclusive Operation means those operations and activities carried out under this Agreement, the costs of which are chargeable to the account of fewer than all the Parties.

Exclusive Well means a well drilled as an Exclusive Operation.

Exploration Operations means operations and activities, including acquiring G&G Data and drilling Exploration Wells, whose purpose is to explore for accumulations of Hydrocarbons, including Testing conducted in the bore of a well that makes a Discovery.

Exploration Period means any periods of exploration set out in the Contract.

Exploration Well means any well, whose purpose at the time drilling commences, is to explore for an accumulation of Hydrocarbons, which accumulation was at that time unproven by drilling.

Force Majeure shall have the same meaning as is set out in the Contract.

Free Carried Interest Agreement means the Free Carried Interest Agreement dated on or about the date of this Agreement between CFG and TRGM.

G & G Data means only geological, geophysical, geochemical and, other similar data and information that is not obtained through a well bore.

Government means the government of Myanmar and any political subdivision, agency or instrumentality of such government, including MOGE.

Gross Negligence / Willful Misconduct means any act or failure to act (whether sole, joint or concurrent) by any person or entity that was intended to cause, or was in reckless disregard of or wanton indifference to, harmful consequences such person or entity knew, or should have known, such act or failure would have on the safety or property of another person or entity.

Hydrocarbons mean all substances that are covered by the Contract, including Crude Oil and Natural Gas.

HSE means health, safety, and the environment.

HSE Plan shall have the meaning set out in Article 6.6.A.

Joint Account means the accounts maintained by Operator under this Agreement and the Accounting Procedure to record costs, receipts, and credits of Joint Operations.

Joint Operations means the operations and activities within the scope of this Agreement (or whose purpose at the time undertaken was within the scope of this Agreement) conducted by Operator on behalf of all Parties, including Exploration Operations, Appraisal Operations, Development and Production Operations, and operations and activities for the purposes of Decommissioning.

Joint Property means, at any point in time, all wells, facilities, equipment, materials, information, funds, and property (other than Hydrocarbons) held for use in Joint Operations.

Laws mean those laws, statutes, rules, and regulations of Myanmar governing the Contract.

LIBOR means the interest rate per annum equal to the British Bankers Association London Interbank Offered Rate for one month U.S. dollar deposits, as published in London by the Financial Times or if not published, then by The Wall Street Journal.

Minimum Work Obligations mean those work and/or expenditure obligations specified in Section 6 of the Contract that must be performed in the then current period or phase of the Contract.

MOGE means Myanma Oil and Gas Enterprise.

Natural Gas has the meaning given to it in the Contract.

Non-Consenting Party means each Party who elects not to participate in an Exclusive Operation.

Non-Operator means each Party to this Agreement other than Operator.

Operating Committee means the committee established under Article 5.

Operator means the Party designated in Article 4, or the successor or assignee of that Party pursuant to Article 4.

Operator Indemnitee means any of the Operator, its Affiliates, or their respective directors, officers, and employees. **Operator Indemnitees** means all of them.

Participating Interest means each Party's undivided share (expressed as a percentage to two (2) decimal places) of the total shares of all Parties in the rights, interests, obligations, and liabilities of the Parties derived from the Contract and this Agreement.

Party means each of the persons and entities named in the preamble, including their respective successors and assignees, generically, and **Parties** means all of the persons and entities named in the preamble, including their respective successors and assignees, collectively.

Petroleum has the meaning given to it in the Contract.

Plugging Back means a single operation whereby a deeper Zone is abandoned in order to attempt a Completion in a shallower Zone.

Production Bonus means the bonus payable by the Parties under Section 11.3 or Section 11.4 of the Contract.

Profit Hydrocarbons means the portion of the Total Available Production of Hydrocarbons, exceeding royalty (if any) and Cost Hydrocarbons that is allocated to the Parties under the Contract.

Public Official means (i) any officer, employee, director, principal, consultant, agent or representative, whether appointed or elected, of any government (whether central, federal, state or provincial), ministry, body, department, agency, instrumentality or part of any of them, or any public international organization, or any state or government owned or controlled entity, agency, enterprise, joint venture, or partnership (including a partner or shareholder of such an enterprise); (ii) any person acting in an official capacity for or on behalf of (a) any government, ministry, body, department, agency, instrumentality or part of any of them, or (b) any public international organization, or (c) any political party or political party official or candidate for office.

Recompletion means an operation whereby a Completion in a Zone (or part of a Zone) is abandoned in order to attempt a Completion in a different Zone (or different part of a Zone) within the existing wellbore.

Reserve Fund shall have the meaning set out in Article 8.4.C.

Reworking means an operation conducted in the wellbore of a well after it is Completed to secure, restore, or improve production in a Zone (or part of a Zone) that is currently open to production in the wellbore. Such operations include well stimulation operations, but exclude any routine repair or maintenance work, drilling, Sidetracking, Deepening, Completing, Recompleting, or Plugging Back of a well.

Secondee means an employee of a Non-Operator or its Affiliate, who is subject to Secondment.

Secondment means the placement under Article 4.3 of an employee of a Non-Operator or its Affiliate in Operator's organization to provide services under a Secondment Agreement between Operator and such Non-Operator or its Affiliates.

Security means (i) an irrevocable standby letter of credit or irrevocable commercial bank guarantee issued by a bank; (ii) an on-demand bond issued by a surety corporation; (iii) an irrevocable guarantee issued by a corporation or government; (iv) any financial security required by the Contract or this Agreement; and (v) any financial security agreed from time to time by the Parties; provided that the bank, surety, corporation or government issuing the guarantee, standby letter of credit, bond, or other security (as applicable) has a net worth sufficient to pay its obligations in all reasonably foreseeable circumstances, or a long term debt rating of at least BBB- by Standard & Poor's, or Baa by Moody's Investors Service, or an equivalent rating by a successor entity to either agency.

Senior Executive means any individual who has authority to settle a Dispute for a Party.

Senior Supervisory Personnel means, with respect to a Party, any director or officer of such Party, and any individual who functions for such Party or one of its Affiliates at a management level equivalent or superior to any individual functioning as such Party's country general manager, who is resident in Myanmar and who is responsible for directing the performance of all operations and activities of such Party in Myanmar, but excluding all individuals functioning at a level below such country general manager.

Sidetracking means the directional control and intentional deviation of a well bore to change the bottom hole location unless done to straighten the hole or to drill around junk in the hole or to overcome other mechanical difficulties.

Testing means an operation conducted in the well bore that is intended to evaluate the capacity of a Zone to produce Hydrocarbons.

Total Amount in Default means the sum of: (i) the Default Amount; (ii) third-party costs of obtaining and maintaining a Security held by the non-defaulting Parties, or the funds paid by the Parties to allow Operator to obtain or maintain Security, under Article 8.3.A.2; plus (iii) interest at the Default Interest Rate accrued on the amount calculated under (i) from the date this amount is due by the Defaulting Party until paid in full by the Defaulting Party and on the amount calculated under (ii) from the date this amount is incurred by the non-defaulting Parties until paid in full by the Defaulting Party.

Total Available Production means all Hydrocarbons produced in the Contract Area and saved less the quantities used for Joint Operations and any losses.

Transfer means any sale, assignment, novation, Encumbrance or other disposition by a Party of any rights or obligations derived from the Contract or this Agreement (including its Participating Interest), other than its Entitlement and its rights to any credits, refunds or payments under this Agreement, and excluding any direct or indirect Change in Control of a Party.

Urgent Operational Matters means decisions on matters involving the use of a drilling rig, vessel or other equipment (not normally maintained in the Contract Area) that is standing by in the Contract Area, and such other operational matters reasonably considered by Operator to require by their nature urgent determination.

Venture Information means the information and results developed or acquired in Joint Operations, which will be Joint Property, unless provided otherwise in this Agreement and/or the Contract.

Work Program and Budget means a work program for Joint Operations and corresponding budget as described and approved under Article 6.

Zone means a stratum of earth containing or thought to contain an accumulation of Hydrocarbons separately producible from any other accumulation of Hydrocarbons.

1.2 Interpretation

1.2.A **Title and Headings.** The title and topical headings used in this Agreement are for convenience only and shall not be construed as having any substantive significance or as indicating that all of the provisions of this Agreement relating to any topic are to be found in any particular Article.

1.2.B **Derivatives.** A capitalized derivative or other variation of a defined term will have a corresponding meaning and be construed accordingly.

1.2.C **Singular and Plural.** Reference to the singular includes a reference to the plural and vice versa.

1.2.D **Gender.** Reference to any gender includes a reference to all other genders.

1.2.E **Article.** Unless otherwise provided, reference to any Article or an Exhibit means an Article or Exhibit of this Agreement.

1.2.F **Conflicts.** If the provisions in the body of this Agreement conflict with the provisions in any Exhibit, the provisions in the body of this Agreement shall prevail.

1.2.G **Include.** The terms "include" and "including" shall mean include or including without limiting the generality of the description preceding such term and are used in an illustrative sense and not a limiting sense.

ARTICLE 2 TERM AND TERMINATION

2.1 Term

2.1.A This Agreement shall have effect from the Effective Date and shall continue in effect until:

2.1.A.1 the Contract terminates;

2.1.A.2 all materials, equipment and personal property acquired for or used in connection with Joint Operations or Exclusive Operations have been disposed of or removed; and

2.1.A.3 final settlement (including settlement of any financial audit carried out under the Accounting Procedure) has been made.

2.1.B Despite Article 2.1.A:

2.1.B.1 Article 10 shall remain in effect until all Decommissioning obligations under the Contract and applicable Laws have been satisfied; and

2.1.B.2 the liability and payment obligations under Article 3.3.B and 3.3.C, Article 4.5, Article 8, Article 15.2, Article 18 and the indemnity obligations under Articles 4.6.B, 7.3.A, 7.9, 10.1.C, 14.2 and 20.1.C shall remain in effect until all obligations have been extinguished and all Disputes have been resolved.

2.1.C Termination of this Agreement shall be without prejudice to any rights and obligations arising out of or in connection with this Agreement that have vested, matured, or accrued before such termination.

2.2 Termination

The Parties shall proceed to terminate the Contract in accordance with the Contract and applicable Law, if any of the following events occur:

2.2.A The Parties unanimously determine under this Agreement to terminate the Contract;

2.2.B All of the Parties are Defaulting Parties and are deemed to have elected to withdraw under Article 8;

2.2.C The Parties unanimously determine under Article 11 to surrender the Contract Area, including any Development and Production Areas; and/or

2.2.D All of the Parties elect to withdraw under Article 13.

ARTICLE 3 SCOPE

3.1 Scope

3.1.A The purpose of this Agreement is to establish the respective rights and obligations of the Parties concerning operations and activities under the Contract, including the joint exploration, appraisal, development, production of Hydrocarbons (including treatment, storage, and handling of produced Hydrocarbons upstream of the Delivery Point), the determination of Entitlements at the Delivery Point, and Decommissioning.

3.1.B The Parties confirm that, except to the extent expressly included in the Contract, the following activities are outside of the scope of this Agreement:

3.1.B.1 Construction, operation, ownership, maintenance, repair, and removal of facilities downstream from the Delivery Point;

3.1.B.2 Transportation of the Parties' Entitlements downstream from the Delivery Point;

3.1.B.3 Marketing and sales of Hydrocarbons, except as expressly provided in Article 7.11.E, Article 8.4 and Article 9.

3.1.B.4. Acquisition of rights to explore for, appraise, develop or produce Hydrocarbons outside of the Contract Area (other than through unitization with an adjoining contract area under the Contract or Laws); and

3.1.B.5. Exploration, appraisal, development, or production of minerals other than Hydrocarbons, whether inside or outside the Contract Area.

3.2 Participating Interest

3.2.A Unless otherwise provided in this Agreement, the Participating Interests of the Parties as of the Effective Date are:

Party	Participating Interest
CFG	80%
TRGM	10%
CBG	10%

3.2.B If a Party Transfers all or part of its Participating Interest under the provisions of this Agreement and the Contract, the Participating Interests of the Parties shall be revised accordingly.

3.3 Ownership, Obligations and Liabilities

3.3.A Unless otherwise provided in this Agreement, all the rights and interests in and under the Contract, all Joint Property, and any Hydrocarbons produced from the Contract Area shall, subject to the terms of the Contract, be owned by the Parties in proportion to their respective Participating Interests.

3.3.B Unless otherwise provided in this Agreement, the obligations of the Parties under the Contract and all costs and liabilities incurred by Operator (or by any Party on behalf of all Parties, as set out in this Agreement) in connection with Joint Operations shall be charged to the Joint Account and all credits to the Joint Account shall be shared by the Parties, in proportion to their respective Participating Interests.

3.3.C Each Party shall pay when due, in accordance with the Accounting Procedure, its Participating Interest share of Joint Account charges, including Cash Calls and interest, accrued under this Agreement. A Party's payment of any charge under this Agreement shall not prejudice its right to later contest the charge.

3.4 Government Participation

3.4.A If MOGE elects to acquire an undivided interest in the rights and obligations under the Contract pursuant to Section 19 thereof, the Parties shall contribute, in proportion to their respective Participating Interests, to the interest to be acquired by MOGE.

3.4.B The Parties shall sign such documents as may be necessary to effect such transfer of interests and the joinder of MOGE as a Party to this Agreement. All payments received for the transfer of such interests shall be credited to the Parties in proportion to their Participating Interests.

ARTICLE 4 OPERATOR

4.1 Designation of Operator

CFG is designated as Operator, accepts the rights, duties, and obligations of Operator, and agrees to act as such in accordance with this Agreement.

4.2 Rights and Duties of Operator

4.2.A Subject to the terms and conditions of this Agreement, Operator shall have all of the rights, functions, and duties of Operator under the Contract, shall have exclusive charge of Joint Operations, and shall conduct all Joint Operations. Operator may employ independent contractors and agents, including Affiliates of Operator, Non-Operators, or Affiliates of a Non-Operator, in such Joint Operations.

4.2.B In the conduct of Joint Operations Operator shall:

4.2.B.1. Perform Joint Operations in accordance with the Contract, the Laws, and this Agreement, and consistent with approved Work Programs and Budgets (and if applicable approved AFEs), and the decisions of the Operating Committee not in conflict with this Agreement;

4.2.B.2. Conduct Joint Operations in a diligent, safe, and efficient manner in accordance with good and prudent petroleum industry practices and field conservation principles generally followed by the international petroleum industry under similar circumstances;

4.2.B.3. Exercise due care with respect to the receipt, payment and accounting of funds in accordance with good and prudent practices generally followed by the international petroleum industry under similar circumstances;

4.2.B.4. Charge to the Joint Account in accordance with this Agreement and the Accounting Procedure any damage, loss, cost, or liability arising out of, incident to, or resulting from Joint Operations;

4.2.B.5. Subject to Article 4.6 and the Accounting Procedure, neither gain a profit nor suffer a loss as a result of being the Operator, provided that Operator may rely upon Operating Committee approval of specific accounting practices not in conflict with the Accounting Procedure;

4.2.B.6. Perform the duties for the Operating Committee set out in Article 5, and prepare and submit to the Operating Committee in a timely manner proposed Work Programs and Budgets (and if applicable AFEs), as provided in Article 6;

4.2.B.7. Acquire all permits, consents, approvals, and surface or other rights that may be required for or in connection with the conduct of Joint Operations;

4.2.B.8. Upon receipt of reasonable advance notice, permit representatives of any Party to have at all reasonable times during normal business hours and at such Party's own risk and cost reasonable access to Joint Operations, to observe Joint Operations, to inspect Joint Property, to conduct HSE audits, and to conduct financial audits and to observe taking of inventory as provided in the Accounting Procedure;

4.2.B.9. Undertake to maintain the Contract in full force and effect consistent with good and prudent petroleum industry practices generally followed by the international petroleum industry under similar circumstances. Operator shall timely pay and discharge all costs and liabilities incurred in connection with Joint Operations and use its reasonable endeavors to keep the Joint Property free from all liens, charges, and Encumbrances arising out of Joint Operations;

4.2.B.10. Pay in cash, and/or make available in kind, to the Government on behalf of the Parties, in accordance with the Contract and the Laws, all periodic payments,

royalties, any domestic supply obligations, taxes, fees and other payments relating to Joint Operations but excluding any taxes measured by the incomes of the Parties;

4.2.B.11. Carry out the obligations of Operator under the Contract, including preparing and furnishing such reports, records and information as may be required under the Contract;

4.2.B.12. Subject to Article 5.14, have, in accordance with the decisions of the Operating Committee, the exclusive right and obligation to represent the Parties in all dealings with the Government with respect to matters arising under the Contract and Joint Operations. Operator shall notify the other Parties as soon as possible of the time, place, and agenda of such meetings. Subject to the Contract and any necessary Government approvals, Non-Operators shall have the right to attend any meetings with the Government with respect to such matters, but only as observers. Nothing contained in this Agreement shall restrict any Party from discussing with the Government any matter peculiar to its particular business interests arising under the Contract or this Agreement, but in such event such Party shall promptly advise the Parties, if possible before and in any event promptly after such discussions; provided that such Party has no duty to divulge to the other Parties any proprietary information involved in such discussions or any matters not affecting the other Parties;

4.2.B.13. Subject to Article 9.3 and any decisions of the Operating Committee, assess (to the extent lawful) alternatives for the disposition of Natural Gas from a Discovery;

4.2.B.14. In case of an emergency (including a significant fire, explosion, Natural Gas release, Crude Oil release, or sabotage; incident involving loss of life, serious injury to an employee, contractor, or third party, or serious property damage; strikes and riots; or evacuations of Operator personnel): (i) take all necessary and proper measures for the protection of life, health, the environment and property; and (ii) as soon as reasonably practicable, report to Non-Operators the details of such event and any measures Operator has taken or plans to take in response thereto;

4.2.B.15. Establish and implement under Article 6.6 an HSE Plan, which complies with the Contract, Laws relating to HSE, this Agreement, generally accepted practices of the international petroleum industry and decisions of the Operating Committee;

4.2.B.16. Establish and implement anti-bribery and anti-corruption policies and procedures consistent with Article 20.1;

4.2.B.17. Prior to appointing or engaging any independent contractor conduct appropriate and proportionate due diligence concerning relevant criteria, including such contractor's ability to perform the proposed work properly, on time, within budgeted cost, and in compliance with applicable legal and contractual requirements;

4.2.B.18. Include in its contracts with independent contractors and Operator's Affiliates, to the extent practical and lawful, provisions that:

(a) Establish that such contractors can enforce their contracts only against Operator;

(b) Permit Operator, on behalf of the Parties, to enforce contractual warranties and indemnities against such contractors and their sub-

contractors, and to recover from such contractors and sub-contractors losses and damages suffered by the Parties that are recoverable under their contracts;

(c) Require such contractors to obtain and maintain insurance required by Article 4.7.G

(d) Require such contractors to comply with applicable Laws, including registration to do business, immigration, import/export, local preference, national content, tax withholding and payment, and the HSE Plan; and

(e) Require such contractors to establish and implement reasonable and proportionate anti-bribery and anti-corruption programs consistent with the undertakings contemplated by Article 20.1.

4.3 Operator Personnel

4.3.A Operator shall engage and/or retain only such employees, Secondees, contractors, consultants, and agents as are reasonably necessary to conduct Joint Operations. Subject to the Contract and this Agreement, Operator shall in its sole discretion determine the number of such employees, Secondees, contractors, consultants, and agents, the selection of such persons, their hours of work, and (except for Secondees) their compensation.

4.3.A.1. Operator shall have the right to terminate the Secondment for cause under the Secondment agreement provided for under Article 4.3.B.

4.3.A.2. Although each Secondee shall report to and be directed by Operator, each Secondee shall remain at all times the employee of the Party (or its Affiliate) nominating such Secondee.

4.3.B Operator and the Non-Operator that employs, or whose Affiliate employs, the Secondee shall enter into a separate agreement relating to such Secondment consistent with this Article 4.3.

4.3.C Operator shall charge to the Joint Account the costs related to Secondment and Secondees that are within the approved Work Program and Budget.

4.3.D If a Secondee acting as a Senior Supervisory Personnel of Operator or its Affiliates engages in Gross Negligence / Willful Misconduct that proximately causes the Parties to incur damage, loss, cost, or liability for claims, demands or causes of action referred to in Article 4.6.A or 4.6.B then all such damages, losses, costs, and liabilities shall be allocated to the Non-Operator that employs or whose Affiliate employs such Secondee, in an equivalent manner and to the same extent liability for Gross Negligence / Willful Misconduct is allocated to Operator under Article 4.6.

4.4 Information Supplied by Operator

4.4.A Subject to Article 15.3, Operator shall provide Non-Operators in a timely manner with copies of the following information, data and reports relating to Joint Operations (to the extent to be charged to the Joint Account) in digitized format and if not available then in hard-copy as they are currently produced or compiled from Joint Operations:

4.4.A.1. All logs, and surveys;

4.4.A.2. Proposed well design and any revisions for each well;

4.4.A.3. Daily drilling reports;

4.4.A.4. All Tests and core data and analysis reports;

4.4.A.5. Final well recap report;

4.4.A.6. Plugging reports;

4.4.A.7. Seismic sections and if applicable shot point location maps;

4.4.A.8. Final, and if requested by any Non-Operator intermediate, geological and geophysical maps, interpretations and reports;

4.4.A.9. Engineering studies, and quarterly and annual progress reports on Development and Production Operations, which progress reports shall at least set out the then current development schedule, the status of each such Development Operation from inception to date, its cumulative costs to date and the cumulative commitments undertaken;

4.4.A.10. Weekly production summary and production activity reports, and monthly reports on well, reservoir, field and infrastructure performance;

4.4.A.11. Reservoir studies, annual reserve estimates, and annual forecasts of production capability, infrastructure capacity, and scheduled outages, provided that Operator makes no representations about the accuracy of its identification of reserves and that each Non-Operator retains full responsibility for making its own assessment of reserves for internal and reporting purposes;

4.4.A.12. Before filing with the Government, copies of all material reports relating to Joint Operations or the Contract required, or anticipated, to be furnished by Operator to the Government, and copies of such reports as filed;

4.4.A.13. As reasonably requested by a Non-Operator, other material studies and reports relating to Joint Operations;

4.4.A.14. Data, reports, forecasts and schedules under agreements provided for in Article 9;

4.4.A.15. Copies of accounting information and reports to be furnished under Article 6.8 and the Accounting Procedure;

4.4.A.16. Monthly and annual HSE key performance data and reports;

4.4.A.17. Such additional information as a Non-Operator may reasonably request, provided that the preparation of such information will not unduly burden Operator's administrative and technical personnel, that the requesting Party or Parties pay the costs of preparation of such information, and that only Non-Operators who pay such costs will receive such additional information; and

4.4.A.18. Other reports as directed by the Operating Committee.

4.4.B Operator shall give Non-Operators access at all reasonable times during normal business hours to all data and reports (other than data and reports provided to Non-Operators under Article 4.4.A acquired in the conduct of Joint Operations and for which a Non-Operator may reasonably request. Any Non-Operator may make copies of such other data at its sole expense.

4.5 Settlement of Claims and Lawsuits

4.5.A Operator shall promptly notify the Parties of any material claims or suits that relate in any way to Joint Operations. Operator shall represent the Parties and defend or oppose the claim or suit. Operator may in its sole discretion compromise or settle any such claim or suit or any related series of claims or suits for an amount not to exceed the equivalent of $500,000 U.S. dollars exclusive of legal fees. Operator shall obtain the approval and direction of the Operating Committee on amounts in excess of the above-stated amount. Without prejudice to the foregoing, each Non-Operator shall have the right to be represented by its own counsel at its own expense in the settlement, compromise, or defense of such claims or suits.

4.5.B Any Non-Operator shall promptly notify the other Parties of any claim made against such Non-Operator by a third party that arises out of or may affect the Joint Operations, and such Non-Operator shall defend or settle the same in accordance with any directions given by the Operating Committee. Those costs and damages that are incurred under such defense or settlement, and that are attributable to Joint Operations shall be reimbursed by the Operator to such Non-Operator and charged to the Joint Account.

4.5.C Despite Article 4.5.A and Article 4.5.B, each Party shall have the right to participate in any such suit, prosecution, defense, or settlement conducted under Article 4.5.A and Article 4.5.B at its sole expense; provided always that no Party may settle its Participating Interest share of any claim without first satisfying the Operating Committee that it can do so without prejudicing the interests of the Joint Operations.

4.6 Limitation on Liability of Operator

4.6.A Except as set out in Article 4.6.D if applicable, and Article 20.1.C neither Operator nor any other Operator Indemnitee shall bear (except as a Party to the extent of its Participating Interest share) any damage, loss, cost, or liability resulting from performing (or failing to perform) the duties and functions of Operator, and the Operator Indemnitees are hereby released from liability to Non-Operators for any and all damages, losses, costs, and liabilities arising out of, incident to, or resulting from such performance or failure to perform, even though caused in whole or in part by a pre-existing defect, or the negligence (whether sole, joint or concurrent), Gross Negligence / Willful Misconduct, strict liability or other legal fault of Operator (or any other Operator Indemnitee).

4.6.B Except as set out in Article 4.6.D if applicable, and Article 20.1.C the Parties shall (in proportion to their Participating Interests) defend and indemnify Operator Indemnitees from any damages, losses, costs (including reasonable legal costs and attorneys' fees), and liabilities incident to claims, demands, or causes of action brought by or for any person or entity, which claims, demands or causes of action arise out of, are incident to or result from Joint Operations, even though caused in whole or in part by a pre-existing defect, or the negligence (whether sole, joint or concurrent), Gross Negligence / Willful Misconduct, strict liability or other legal fault of Operator (or any other Operator Indemnitee).

4.6.C Nothing in this Article 4.6 shall be deemed to relieve Operator from its obligation to perform its duties and functions under this Agreement, or from its Participating Interest share of any damage, loss, cost, or liability arising out of, incident to, or resulting from Joint Operations.

4.6.D Despite Article 4.6.A or 4.6.B, if any Senior Supervisory Personnel of Operator or its Affiliates engage in Gross Negligence / Willful Misconduct that proximately causes the Parties to incur damage, loss, cost, or liability for claims, demands or causes of action

referred to in Article 4.6.A or 4.6.B, then, in addition to its Participating Interest share Operator shall bear only the actual damage, loss, cost, and liability to repair, replace and/or remove Joint Property so damaged or lost, if any.

Despite the foregoing, under no circumstances shall Operator (except as a Party to the extent of its Participating Interest) or any other Operator Indemnitee bear any Consequential Loss or Environmental Loss.

4.7 Insurance Obtained by Operator

4.7.A Operator shall procure and maintain for the Joint Account the types and amounts of insurance required by the Contract or the Laws.

4.7.B Operator shall procure and maintain any additional insurance, at reasonable rates, as the Operating Committee may require. If such additional insurance is, in Operator's reasonable opinion, unavailable or available only at an unreasonable cost, Operator shall promptly notify the Non-Operators so that the Operating Committee may reconsider such requirement for additional insurance.

4.7.C Each Party will be provided the opportunity to underwrite any or all of the insurance to be obtained by Operator under Articles 4.7.A and 4.7.B, through such Party's Affiliate insurance company or, if direct insurance is not so permitted, through reinsurance policies to such Party's Affiliate insurance company. Any Party exercising its rights under this Article shall furnish to Operator details of the proposed insurance. If Operator in its discretion is satisfied with the security and creditworthiness of such insurance or reinsurance arrangements, and that the premiums for such insurance or reinsurance will not be significantly higher than market rate and will be recoverable under the Contract, then Operator shall procure such insurance or reinsurance from such Party.

4.7.D If Operator elects, to the extent permitted by the Contract and Laws, to self-insure all or part of the coverage to be procured under Articles 4.7.A and/or 4.7.B, Operator shall so notify the Operating Committee and provide a qualified self-insurance letter stating what coverages Operator is self-insuring. Any risk to be covered by insurance to be procured under Articles 4.7.A and/or 4.7.B that is not identified in the self-insurance letter shall be covered by insurance and supported by a current certificate of adequate coverage. If requested by the Operating Committee from time to time, Operator shall provide evidence of financial responsibility, acceptable to the Operating Committee that fully covers the risks that would be covered by the insurance to be procured under Articles 4.7.A and 4.7.B

4.7.E The cost of insurance in which all the Parties are participating shall be for the Joint Account, and the cost of insurance in which fewer than all the Parties are participating shall be charged to the Parties participating in proportion to their respective Participating Interests. Subject to the preceding sentence, the cost of insurance with respect to an Exclusive Operation shall be charged to the Consenting Parties.

4.7.F Operator shall, with respect to all insurance obtained under this Article 4.7:

4.7.F.1 Use reasonable endeavors to procure, or cause to be procured, such insurance before the relevant operations begin, and maintain, or cause to be maintained, such insurance during the term of the relevant operations or any longer term required under the Contract or the Laws;

4.7.F.2 Promptly inform the participating Parties when such insurance is obtained and supply them with certificates of insurance or copies of the relevant policies when issued;

4.7.F.3 Arrange for the participating Parties, according to their respective Participating Interests, to be named as co-insureds on the relevant policies with waivers of subrogation in favor of all the Parties but only to the extent of their interests under this Agreement;

4.7.F.4 Use reasonable endeavors to ensure that each policy shall survive the default or bankruptcy of the insured for claims arising out of an event before such default or bankruptcy and that all rights of the insured shall revert to the Parties not in default or bankruptcy; and

4.7.F.5 Duly file all claims and take all necessary and proper steps to collect any proceeds and credit any proceeds to the participating Parties in proportion to their respective Participating Interests.

4.7.G Operator shall use its reasonable endeavors to require all contractors performing work with respect to Joint Operations to:

4.7.G.1 Obtain and maintain any insurance in the types and amounts required by the Contract, the Laws or any decision of the Operating Committee;

4.7.G.2 Name the Parties as additional insureds on the contractor's insurance policies and obtain from their insurers waivers of all rights of recourse against the Parties and their insurers; and

4.7.G.3 Provide Operator with certificates evidencing such insurance before the commencement of their services.

4.8 Comingling of Funds

Operator may commingle with Operator's own funds the monies that it receives from or for the Joint Account under this Agreement. Despite that monies of a Non-Operator have been commingled with Operator's funds, Operator shall account to the Non-Operators for the monies of the Non-Operators advanced or paid to Operator, whether for the conduct of Joint Operations or as proceeds from the sale of Hydrocarbons or Joint Property under this Agreement. Such monies of the Non-Operators shall be applied only to their intended use and shall in no way be deemed to be funds belonging to Operator.

4.9 Resignation of Operator

Subject to Article 4.11, Operator may resign as Operator by so notifying the other Parties at least one hundred and twenty (120) Days before the effective date of such resignation.

4.10 Removal of Operator

4.10.A Subject to Article 4.11, Operator shall be removed upon receipt of notice from any Non-Operator if:

4.10.A.1 Operator becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors;

4.10.A.2 A court order is made or an effective resolution is passed for the reorganization under any bankruptcy law, dissolution, liquidation, or winding up of Operator;

4.10.A.3 A receiver is appointed for a substantial part of Operator's assets; or

4.10.A.4 Operator dissolves, liquidates, winds up, or otherwise terminates its existence.

4.10.B Subject to Article 4.11, Operator may be removed by the decision of the Non-Operators, as set out below, if Operator has committed a material breach of this Agreement and has either failed to commence to cure that breach within thirty (30) Days of receipt of a notice from Non-Operators detailing the alleged breach or failed to diligently pursue the cure to completion. Any decision of Non-Operators to give notice of breach to Operator or to remove Operator under this Article 4.10.B shall be made a unanimous vote of the Non-Operators, excluding any Affiliates of the Operator. However, if Operator disputes such alleged commission of or failure to cure a material breach and Dispute resolution proceedings are initiated under Article 18.2 concerning such breach, the Operator shall remain appointed and no successor Operator may be appointed pending the conclusion or abandonment of such proceedings, subject to the terms of Article 8.3 with respect to Operator's breach of its payment obligations.

4.10.C If as a result of a Transfer, the total Participating Interests of Operator and its Affiliates would become less than twenty percent (20%), then Operator shall promptly notify the other Parties. The Parties shall vote within thirty (30) Days of such notification on whether or not Operator should be removed and a successor Operator should be named under Article 4.11. A unanimous vote of the Non-Operators, excluding any Affiliates of Operator, shall be required to remove Operator under this Article.

4.10.D Subject to Article 4.11, Operator may be removed by the decision of the Non-Operators, as set out below, if:

4.10.D.1 Operator has admitted allegations made by a Governmental authority concerning operations and/or activities under this Agreement that Operator or its Affiliates or their directors, officers, employees or personnel have violated Anti-Bribery Laws and Obligations applicable to Operator; or

4.10.D.2 Operator has been finally adjudicated concerning operations and/or activities under this Agreement that Operator or its Affiliates or their directors, officers, employees or personnel have violated Anti-Bribery Laws and Obligations applicable to Operator.

4.11 Appointment of Successor

When a change of Operator occurs under Article 4.9 or Article 4.10:

4.11.A The Operating Committee shall meet as soon as possible to appoint a successor Operator under the voting procedure of Article 5.9. No Party may be appointed successor Operator against its will.

4.11.B If Operator is removed under Article 4.10, neither Operator, nor any Affiliate of Operator, shall have the right to be considered as a candidate for the successor Operator.

4.11.C The resigning or removed Operator shall, subject to its duty to use reasonable efforts to mitigate the costs related to its resignation or removal, be compensated out of the Joint Account for its reasonable costs directly related to its resignation or removal, except for removal under Article 4.10.B or 4.10.D.

4.11.D The resigning or removed Operator and the successor Operator shall arrange to take an inventory of all Joint Property and Hydrocarbons, and to audit the books and records of the removed Operator. Such inventory and audit shall be completed, if possible, no later than the effective date of the change of Operator and shall be subject to the approval of the

Operating Committee. The costs and liabilities of such inventory and audit shall be charged to the Joint Account.

4.11.E The resignation or removal of Operator and its replacement by the successor Operator shall not become effective before receipt of any necessary Government approvals. Upon the effective date of the resignation or removal, the successor Operator shall succeed to all duties, rights and authority prescribed for Operator. The former Operator shall transfer to the successor Operator all Joint Property, books of account, records and other documents maintained by Operator pertaining to the Contract Area and to Joint Operations, and shall endeavor to transfer rights, warranties, indemnities and duties under contracts and licenses entered into for Joint Operations. Upon the effective date of its resignation or removal the former Operator shall be released and discharged from all obligations and liabilities as Operator accruing after such date after the date the former Operator transfers all contracts and data to the successor Operator.

4.12 Assignment of the Operatorship to an Affiliate

The Party designated as Operator may not assign its rights or obligations as Operator, except that such Party may assign all (but not part) of its rights and obligations as Operator to an Affiliate of Operator, subject to any necessary consent of the Government and to the following conditions and provisions:

4.12.A either (i) such Affiliate shall have sufficient technical competence and financial resources to perform the duties of the Operator, or (ii) the assigning Party or another Affiliate of the assigning Party having such technical competence and financial resources shall have guaranteed in writing for the benefit of the other Parties that it shall be responsible, and remain responsible, for such Affiliate's performance of such duties;

4.12.B such Affiliate shall have entered into a written instrument whereby it accepts and assumes all of the obligations of the Operator and is granted all of the rights of the Operator; and

4.12.C if such Affiliate should cease to be the Affiliate of the assigning Operator, then such Affiliate shall be removed as the Operator and, in accordance with Article 12.2.B, the rights and obligations of Operator shall be reassigned by such former Affiliate to the entity that was formerly Operator, provided that such entity remains a Party, or to another Party that is an Affiliate of the former Operator.

ARTICLE 5 OPERATING COMMITTEE

5.1 Establishment of Operating Committee

To provide for the overall supervision and direction of Joint Operations, the Parties establish an Operating Committee composed of representatives of each Party holding a Participating Interest. Each Party shall appoint one (1) representative and one (1) alternate representative to serve on the Operating Committee. Each Party shall as soon as possible after the date of this Agreement give notice in writing to the other Parties of the name and address of its representative and alternate representative to serve on the Operating Committee. Each Party shall have the right to change its representative and alternate representative at any time by giving notice of such change to the other Parties.

5.2 Powers and Duties of Operating Committee

The Operating Committee shall have the power and duty to authorize and supervise Joint Operations that are necessary or desirable to fulfill the Contract and properly explore and exploit the Contract Area under this Agreement, the Contract, the Laws, and generally accepted practices

of the international petroleum industry under similar circumstances; provided that Operating Committee may not compel any Party to exercise, make, or take, or prevent any Party from exercising, making, or taking, any right, decision, or action concerning any matter or proposal under this Agreement, which right, decision or action is reserved or delegated to a Party or the Parties.

5.3 Authority to Vote

The representative of a Party, or in the representative's absence the alternate representative, shall be authorized to represent and bind such Party with respect to any matter that is within the powers and duties of the Operating Committee and is properly brought before the Operating Committee. Each such representative or alternate representative shall have a vote equal to the Participating Interest of the Party such person represents. The alternate representative of each Party may attend any Operating Committee meetings, but shall have no vote at such meetings, unless such Party's representative is absent. In addition to the representative and alternate representative, each Party may send technical and other advisors to any Operating Committee meetings.

5.4 Subcommittees

The Operating Committee may establish subcommittees for any purposes that the Operating Committee may deem appropriate. Each subcommittee shall function in an advisory capacity to the Operating Committee or as otherwise determined unanimously by the Parties. Each Party shall have the right to appoint a representative to each subcommittee.

5.5 Notice of Meeting

5.5.A Operator may call a meeting of the Operating Committee by giving notice to the Parties at least fifteen (15) Days in advance of such meeting.

5.5.B Any Non-Operator may request a meeting of the Operating Committee by giving notice to all the other Parties. Upon receiving such request, Operator shall call such meeting for a date not fewer than fifteen (15) Days nor more than twenty (20) Days after receipt of the request.

5.5.C The notice periods above may only be waived with the unanimous consent of all the Parties.

5.6 Contents of Meeting Notice

5.6.A Each notice of a meeting of the Operating Committee as provided by Operator shall contain:

5.6.A.1 The date, time, and location of the meeting;

5.6.A.2 An agenda of the matters and proposals to be considered and/or voted upon at such meeting; and

5.6.A.3 Information about each matter and proposal to be considered and/or voted on at the meeting (including all appropriate supporting information not previously distributed to the Parties) sufficient to enable the Parties to be well informed about such matters and proposals before such meeting.

5.6.B A Party may add additional matters and proposals to the agenda for any meeting, by giving notice to the other Parties not fewer than seven (7) Days before such meeting.

5.6.C On the request of a Party, and with the unanimous consent of all Parties, the Operating Committee may consider at a meeting a matter and/or proposal not in the agenda for such meeting.

5.7 Location of Meetings

All meetings of the Operating Committee shall be held in Yangon, or elsewhere as the Operating Committee may decide. Operator shall not have the right to vote in its capacity as Operator.

5.8 Operator's Duties for Meetings

5.8.A Operator's duties, concerning meetings of the Operating Committee and any subcommittee, shall include:

5.8.A.1 Timely preparation and distribution of the agenda;

5.8.A.2 Organization and conduct of the meeting; and

5.8.A.3 Preparation of a written record or minutes of each meeting.

5.8.B Operator shall have the right to appoint the chairman of the Operating Committee and all subcommittees.

5.9 Voting Procedure

5.9.A Except as otherwise expressly provided in this Agreement, decisions, approvals, and other actions of the Operating Committee on all proposals (other than proposals on matters reserved to the Parties) coming before it shall be decided by the affirmative vote of one (1) or more Parties then having collectively at least sixty percent (60%) of the Participating Interests.

5.9.B Notwithstanding Article 5.9.A and except as otherwise expressly provided in this Agreement, the following matters shall require the affirmative vote of one (1) or more Parties then having collectively at least ninety percent (90%) of the Participating Interests:

5.9.B.1 approval of the Development Plan;

5.9.B.2 any revision to the Development Plan where the costs of the revision is likely to exceed $10,000,000 U.S. dollars;

5.9.B.3 the taking of any action, suit, proceeding or litigation against, or threatened against, MOGE or the Government;

5.9.B.4 any amendment to the Contract or the decision to terminate the Contract;

5.9.B.5 relinquishment or surrender of all or part of the Contract Area;

5.9.B.6 third party use or toll processing of third party petroleum products through the facilities constructed under this Agreement; and

5.9.B.7 the approval of an AFE where the expenditure is more than 20% above the amounts set out in Article 6.8.A (provided that any Party whose Participating Interest share of the costs that are the subject matter of the AFE will be paid by a Carrying Party shall be deemed to vote in the same manner as the Carrying Party in respect of the approval or disapproval of the AFE).

5.10 Record of Votes

The chairman of the Operating Committee shall appoint a secretary who shall make a record of each proposal voted on and the results of such voting at each Operating Committee meeting. Each representative shall sign and be provided a copy of such record of votes at the end of such meeting. Such signed record shall be considered the final record of the decisions of the Operating Committee.

5.11 Minutes

The secretary shall provide each Party with a copy of the minutes of the Operating Committee meeting within fifteen (15) Business Days after the end of the meeting. Each Party shall notify the secretary within fifteen (15) Days after receipt of such minutes specifying any objections and corrections to the minutes. A failure to give notice specifying objections and corrections to such minutes within such fifteen (15) Day period shall be deemed to be approval of such minutes. In any event, the record of votes under Article 5.10 shall take precedence over the minutes described above.

5.12 Voting by Notice

5.12.A In lieu of a meeting, any Party may submit any proposal to the Operating Committee for a vote by notice. The proposing Party or Parties shall notify Operator who shall give each Party's representative notice describing the proposal so submitted and whether Operator considers such proposal to require urgent determination. Operator shall include with such notice adequate documentation in connection with such proposal to enable the Parties to decide. Each Party shall communicate its vote by notice to Operator and the other Parties within one of the following appropriate time periods after receipt of Operator's notice:

5.12.A.1 Twenty four (24) hours in the case of Urgent Operational Matters; and

5.12.A.2 Fourteen (14) Days in the case of all other proposals.

5.12.B Except in the case of Article 5.12.A.1, any Party may, by notice delivered to all Parties within seven (7) Days of receipt of Operator's notice, request that the proposal be decided at a meeting rather than by notice. In such event, that proposal shall be decided at a meeting duly called for that purpose.

5.12.C Except as provided in Article 10 any Party failing to communicate its vote in a timely manner shall be deemed to have voted against such proposal.

5.12.D If a meeting is not requested, then at the expiration of the appropriate time period, Operator shall give each Party a confirmation notice stating the tabulation and results of the vote.

5.13 Effect of Vote

All decisions taken by the Operating Committee under this Article 5 shall be conclusive and binding on all the Parties, except in the following cases.

5.13.A If under this Article 5, a Joint Operation has been properly proposed to the Operating Committee and the Operating Committee has not approved such proposal in a timely manner, then any Party that voted for such proposal shall have the right for the appropriate period specified below to propose, under Article 7, an Exclusive Operation involving operations essentially the same as those proposed for such Joint Operation.

5.13.A.1 For proposals related to Urgent Operational Matters, such right shall be exercisable for twenty-four (24) hours after the time specified in Article 5.12.A.1 has expired or after receipt of Operator's notice given to the Parties under Article 5.13.D, as applicable.

5.13.A.2 For proposals to develop a Discovery, such right shall be exercisable for ten (10) Days after the date the Operating Committee was required to consider such proposal under Article 5.6 or Article 5.12.

5.13.A.3 For all other proposals, such right shall be exercisable for five (5) Days after the date the Operating Committee was required to consider such proposal under Article 5.6 or Article 5.12.

5.13.B If a Party voted against any proposal that was approved by the Operating Committee and is of a type that could be conducted as an Exclusive Operation under Article 7, then such Party shall have the right not to participate in the operation contemplated by such approval. Any such Party wishing to exercise its right of non-consent must give notice of non-consent to all other Parties within five (5) Days (or twenty-four (24) hours for Urgent Operational Matters) after Operating Committee approval of such proposal. If a Party exercises its right of non-consent, the Parties who were not entitled to give or did not give notice of non-consent shall be Consenting Parties as to the operation contemplated by the Operating Committee approval, and shall conduct such operation as an Exclusive Operation under Article 7; provided, however, that any such Party who was not entitled to give or did not give notice of non-consent may, by notice provided to the other Parties within five (5) Days (or twenty-four (24) hours for Urgent Operational Matters) after the notice of non-consent given by any Non-Consenting Party, require that the Operating Committee vote again on the proposal in question. Only the Parties that were not entitled to or have not exercised their right of non-consent with respect to the contemplated operation shall participate in such second vote of the Operating Committee, with voting rights proportional to their respective Participating Interest. If the Operating Committee approves again the contemplated operation, any Party that voted against the contemplated operation in such second vote may elect to be a Non-Consenting Party with respect to such operation, by notice of non-consent provided to all other Parties within five (5) Days (or twenty-four (24) hours for Urgent Operational Matters) after the Operating Committee's second approval of such contemplated operation.

5.13.C If the Consenting Parties to an Exclusive Operation under Article 5.13.A or Article 5.13.B concur, then the Operating Committee may, at any time, under this Article 5, reconsider and approve, decide or take action on any proposal that the Operating Committee declined to approve earlier, or modify or revoke an earlier approval, decision or action.

5.13.D Once a Joint Operation for the drilling, Deepening, Testing, Sidetracking, Plugging Back, Completing, Recompleting, Reworking, or plugging of a well has been approved and commenced, such operation shall not be stopped without the consent of the Operating Committee; provided, however, that such operation may be stopped if:

5.13.D.1 An impenetrable substance or other condition in the hole is encountered which in the reasonable judgment of Operator causes the continuation of such operation to be impractical; or

5.13.D.2 Other circumstances occur that in the reasonable judgment of Operator cause the continuation of such operation to be unwarranted and the Operating Committee, within the period required under Article 5.12.A.1 after receipt of Operator's notice, approves discontinuing such operation.

On the occurrence of either of the above, Operator shall promptly notify the Parties that such operation is being stopped, and any Party shall have the right to propose under Article 7 an Exclusive Operation to continue such operation.

5.14 Management Committee Established Pursuant to the Contract

The Parties acknowledge that Annexure E of the Contract establishes a management committee (the "**PSC Management Committee**"), comprised of 3 representatives of Contractor and 4 representatives of MOGE, to coordinate the efforts of Contractor and MOGE under the Contract. It is the Parties' intention that all decision-making and related discussions among the Parties that relates to Joint Operations, Exclusive Operations and other matters dealt in this Agreement will occur within the framework of the Operating Committee, the subcommittees created thereunder, and the voting procedures set out in this Agreement. Accordingly:

5.14.A the Parties agree that the Contractor representatives to the PSC Management Committee and any subcommittees formed thereunder (the "**PSC ManCom Representatives**") will be comprised of Operator personnel only, provided that if with reasonable notice Operator requests that one or more of the Non-Operators make available their personnel as PSC ManCom Representatives for one or more meetings, the relevant Non-Operators shall make available suitably qualified personnel for that purpose; and

5.14.B the Parties agree to use all reasonable endeavors to cause their PSC ManCom Representatives and any observors or other persons attending on their behalf pursuant to Articles 4.2.B.12 or 5.14.A to vote, act and otherwise conduct themselves in their activities on the PSC Management Committee and its subcommittees in a manner that is consistent with, and is intended to implement, the decisions of the Operating Committee.

ARTICLE 6 WORK PROGRAMS AND BUDGETS

6.1 Preparation and Approval

6.1.A Within thirty (30) Days after the Commencement of Operation Date, Operator shall deliver to the Parties a proposed annual Work Program and Budget detailing the Joint Operations proposed to be performed and the estimated costs forecast to be charged to the Joint Account during the remainder of the Contract Year in which this Agreement was signed and, if appropriate, for the next Contract Year. At least 120 Days before the start of each Contract Year afterwards, Operator shall deliver to the Parties a proposed annual Work Program and Budget detailing the Joint Operations Operator proposes to be performed and the estimated costs forecast to be charged to the Joint Account during the next Contract Year. The activities and costs associated with the Environmental Impact Assessment, Social Impact Assessment and Environmental Management Plan conducted pursuant to the Contract prior to the Commencement of Operation Date shall be included in the first Work Program and Budget and shall be deemed to have been approved by all Parties.

6.1.B During the preparation of the proposed Work Programs and Budgets, Appraisal Plans and Development Plans contemplated in this Article 6, Operator shall consult with the Operating Committee or the appropriate subcommittees regarding the contents of such Work Programs and Budgets, Appraisal Plans, and Development Plans.

6.1.C Each annual Work Program and Budget shall with respect to the applicable Contract Year contain inter alia:

An itemized list of the operations and activities to be conducted, described in sufficient detail to afford ready identification of the nature, scope, location, timing, and duration of each such operation and activity, including designating whether such line item is intended

to satisfy the Minimum Work Obligations of the Contract, the commitments of a previously approved appraisal Work Program and Budget, and/or the commitments of a previously approved Development Plan; and

6.1.C.1 An estimate of the costs corresponding to each such line item enumerated in sufficient detail to be readily tracked and charged under the Accounting Procedure and consistent with the Contract;

6.1.C.2 Information with respect to Operator's estimated manpower requirements and costs and Operator's allocation procedures under the Accounting Procedure;

6.1.C.3 Reasonable and necessary supporting information; and

6.1.C.4 Any additional information and detail as the Operating Committee may deem suitable.

6.1.D Within fourteen (14) Days of such delivery, or earlier if necessary to meet any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify (if appropriate), and either approve or reject the proposed Work Program and Budget (including any agreed modifications) under Article 5.9; provided that no Work Program and Budget may provide for Appraisal Operations that exceed the scope of, or conflict with, any previously approved Appraisal Plan, and/or provide for Development and Production Operations that exceed the scope of, or conflict with, any previously approved Development Plan, unless such previously approved plans, programs, and budgets are amended at or before the adoption of the annual Work Program and Budget.

6.1.E Any Joint Operations that cannot be efficiently completed within a single Contract Year may be proposed in a multi-year Work Program and Budget. Upon approval by the Operating Committee, such multi-year Work Program and Budget shall, subject only to revisions approved by the Operating Committee afterwards: (i) remain in effect as between the Parties (and the associated cost estimate shall be a binding pro-rata obligation of each Party) through the completion of such Joint Operations; and (ii) be reflected in each annual Work Program and Budget. If the Contract requires that Work Programs and Budgets be submitted to the Government for approval, such multi-year Work Program and Budget shall be submitted to the Government either in a single request for a multi-year approval or as part of the annual approval process, under the Contract.

6.1.F Approval of a Work Program and Budget by the Operating Committee shall authorize Operator to submit such Work Program and Budget to the Government for approval (if required) under the Contract. If the Government requests changes to such Work Program and Budget as a condition to granting its approval under the Contract, Operator shall promptly notify the Parties of the Government's proposed changes and shall submit a revised Work Program and Budget to the Operating Committee for further consideration.

6.1.G If a Work Program and Budget is not approved by the Operating Committee at least two (2) Business Days before the last date for Government approval under the Contract, Operator may submit to the Government a Work Program and Budget for the applicable Contract Year, setting out those Joint Operations, which are:

6.1.G.1 consistent with the scope of, and not in conflict with, the Minimum Work Obligations of the Contract, the commitments of a previously approved appraisal Work Program and Budget, and/or the commitments of a previously approved Development Plan; and

6.1.G.2 reasonably necessary to keep the Contract in full force and effect, to satisfy the Minimum Work Obligations of the Contract, to meet the commitments of a previously approved appraisal Work Program and Budget, and to meet the commitments of a previously approved Development Plan, that in each case are required to be carried out during the relevant Contract Year. In determining the Joint Operations that are reasonably necessary for the purposes of the preceding sentence, the proposed Joint Operations receiving the largest Participating Interest vote (even if less than the applicable percentage under Article 5.9) shall be adopted. If competing proposals receive equal Participating Interests votes, then Operator shall choose between those competing proposals.

In this event, the Operating Committee shall be deemed to have approved such Work Program and Budget. Operator shall be reimbursed by the Parties for their Participating Interest shares of costs incurred by Operator and deemed approved under this Article 6.1.G.

6.1.H A Party may at any time, by notice to the other Parties, propose that a Work Program and Budget be amended. To the extent that such amendment is approved by the Operating Committee, the relevant Work Program and/or Budget shall, subject to obtaining any requisite Government approval under the Contract, be deemed amended accordingly; provided that, any such amendment shall not deauthorize or invalidate any commitment or expenditure already made by the Operator in accordance with any previous authorization given under this Agreement.

6.1.I If a Work Program and Budget, as proposed, revised and/or amended, is approved by the Operating Committee and satisfies the requirements of the Contract, including (if required) being approved, or deemed to be approved, by the Government, Operator shall, subject to complying with Articles 6.8 and 6.9, be authorized to conduct the Joint Operations set out in such approved Work Program and Budget.

6.2 Exploration and Appraisal

6.2.A Subject to Article 6.8, approval of any Work Program and Budget that includes:

6.2.A.1 An Exploration Well, whether by drilling, Deepening or Sidetracking, shall include approval for all expenditures necessary for drilling, Deepening or Sidetracking, as applicable, and Testing and Completing an Exploration Well.

6.2.A.2 An Appraisal Well, whether by drilling, Deepening or Sidetracking, shall include approval for all expenditures necessary for drilling, Deepening or Sidetracking, as applicable, and Testing and Completing such Appraisal Well.

6.2.B Any Party desiring to propose a Completion attempt, or an alternative Completion attempt, must do so within the time period provided in Article 5.12.A.1 by notifying all other Parties. Any such proposal shall include an AFE for such Completion costs.

6.2.C If a Discovery is made, Operator shall deliver the notice of Discovery required under Section 7.1 of the Contract and shall as soon as possible submit to the Parties a report containing available details concerning the Discovery and Operator's recommendation as to whether the Discovery merits appraisal.

6.2.D If the Operating Committee determines that the Discovery merits appraisal, Operator within thirty (30) Days shall deliver to the Parties a proposed Appraisal Plan for such Discovery, which shall in addition to the information required under Article 6.1.C contain:

6.2.D.1 A delineation of the proposed Appraisal Area; and

6.2.D.2 Any other information concerning the proposed Appraisal Operations requested by a Party,

together with the proposed appraisal Work Program and Budget (or a multi-year appraisal Work Program and Budget under Article 6.1.E) to carry out the first Contract Year of the Appraisal Plan, and provisional Work Programs and Budgets to carry out the remainder of the Appraisal Plan.

6.2.E Within fourteen (14) Days after receipt of the proposed Appraisal Plan and associated proposed appraisal Work Program and Budget, or earlier if necessary to meet any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify (if appropriate), and then either approve or reject the proposed Appraisal Plan (including any proposed modifications) and the first annual (or multi-year) appraisal Work Program and Budget.

6.2.F If the Operating Committee approves the Appraisal Plan and the associated appraisal Work Program and Budget, Operator shall, as soon as possible, take such steps as may be required under the Contract to secure approval of such Appraisal Plan and the associated appraisal Work Program and Budget for the first Contract Year by the Government. If the Government requests changes to such Appraisal Plan or associated appraisal Work Program and Budget for the first Contract Year as a condition to granting its approval under the Contract, then Operator shall promptly notify the Parties of the Government's proposed changes and may submit a revised Appraisal Plan and associated appraisal Work Program and Budget for the first Contract Year to the Operating Committee for further consideration.

6.2.G If the Appraisal Plan is approved by the Government, the associated appraisal Work Program and Budget for the first Contract Year shall be deemed to be incorporated into and form part of the then current annual Work Program and Budget.

6.2.H Within ninety (90) Days after the evaluation of the appraisal results is complete, and in any event within the time required under the Contract, Operator shall notify and report to MOGE pursuant to Section 7.7 of the Contract whether the Discovery contains a Commercial Discovery.

6.3 Development

6.3.A If the Operating Committee determines that a Discovery may be a Commercial Discovery, as soon as is reasonably practicable thereafter Operator shall deliver to the Parties a proposed Development Plan for such Discovery, which shall in addition to the information required under Article 6.1.C and the Contract, contain:

6.3.A.1 A delineation of the proposed Development and Production Area;

6.3.A.2 An estimated date for the commencement of Development and Production Operations;

6.3.A.3 A production forecast of estimated production of each type of Hydrocarbon to be produced by Contract Year for the estimated productive life of the Commercial Discovery;

6.3.A.4 A description of all material facilities to be constructed as Joint Property;

6.3.A.5 An estimated Decommissioning Work Program and Budget; and

6.3.A.6 Any other information related to Development and Production Operations requested by the Operating Committee,

together with the proposed development Work Program and Budget (or a multi-year development Work Program and Budget under Article 6.1.E) for the first Contract Year of the Development Plan, and work schedule for the remainder of the Development Plan.

6.3.B As soon as practicable after receipt of the proposed Development Plan and associated proposed development Work Program and Budget, each Party shall furnish to Operator and the other Parties any comments, suggestions, or proposed amendments it may have for the proposed Development Plan.

6.3.C Within ninety (90) Days after receipt of the proposed Development Plan and associated proposed development Work Program and Budget, or earlier if necessary to meet any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify (if appropriate) and then either approve or reject the proposed Development Plan (including any proposed modifications) and the associated first annual (or multi-year) Work Program and Budget.

6.3.D If the Operating Committee determines that the Discovery is a Commercial Discovery and approves the corresponding Development Plan, Operator shall, as soon as possible, take such steps as may be required under the Contract to secure approval of the Development Plan and associated development Work Program and Budget for the first Contract Year by the Government. If the Government requests changes in the Development Plan and associated development Work Program and Budget for the first Contract Year as a condition to granting approval under the Contract, then Operator shall promptly notify the Parties of the Government's proposed changes and may submit a revised Development Plan and associated development Work Program and Budget for the first Contract Year to the Operating Committee for further consideration.

6.3.E If the Development Plan is approved by the Government, the associated development Work Program and Budget for the first Contract Year shall be incorporated into and form part of the then current Work Program and Budget. Operator shall periodically review the Development Plan and development Work Program and Budget and propose amendments as may be prudent, and the Operating Committee shall consider, modify (if necessary), and approve or reject those proposed amendments under Article 5.9.

6.4 Production

6.4.A At least thirty (30) Days before first commercial production, Operator shall deliver to the Parties a proposed production Work Program and Budget that shall in addition to the information required under Article 6.1.C contain the projected production schedule for the remainder of the Contract Year in which first commercial production begins and, if fewer than six (6) Months remain in the current Contract Year, for the next Contract Year. At least 120 Days before the end of each Contract Year thereafter, Operator shall deliver to the Parties a proposed production Work Program and Budget that shall in addition to the information required under Article 6.1.C contain the projected production schedule for the next Contract Year and if required under the Contract and this Agreement Decommissioning plans including estimated costs of Decommissioning.

6.4.B Within forty five (45) Days after receipt of the proposed production Work Program and Budget, or earlier if necessary to meet any applicable deadline under the Contract, the

Operating Committee shall meet to consider, modify (if appropriate) and then either approve or reject the proposed production Work Program and Budget.

6.4.C If the Operating Committee approves the production Work Program and Budget, Operator shall, as soon as possible, take such steps as may be required under the Contract to secure approval of such production Work Program and Budget by the Government. If the Government requests changes to such production Work Program and Budget Year as a condition to granting its approval under the Contract, then Operator shall promptly notify the Parties of the Government's proposed changes and shall submit a revised production Work Program and Budget to the Operating Committee for further consideration.

6.4.D If a production Work Program and Budget is not approved by the Operating Committee before the date by which approval is required under the Contract, Operator may submit to the Government a Work Program and Budget for the applicable Contract Year, setting out those Joint Operations that are:

6.4.D.1 consistent with the scope of, and not in conflict with, the commitments of a previously approved Development Plan; and

6.4.D.2 necessary to keep the Contract in full force and effect and meet the commitments of a previously approved Development Plan that are required to be carried out during the relevant Contract Year.

6.5 Decommissioning Work Program and Budget

6.5.A If required to do so under the Laws, Operator shall deliver an estimated Decommissioning Work Program and Budget with the delivery of each draft Development Plan under Article 6.3.A. Operator may, at any time that it deems reasonable, implement a Decommissioning trust fund or alternate security structure in order to ensure that all of the Parties are able to fund their obligations under the Laws, the Contract and this Agreement in relation to Decommissioning, and Operator may issue Cash Calls for these purposes. At least ninety (90) Days before the end of the Contract Year that immediately precedes the Contract Year in which Operator forecasts it will begin making Cash Calls for Decommissioning, Operator shall deliver to the Parties a revised draft Decommissioning Work Program and Budget along with reasonable and necessary supporting information.

6.5.B Within ninety (90) Days after receipt of the proposed Decommissioning Work Program and Budget, or earlier if necessary to meet any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify (if appropriate), and then either approve or reject the proposed Decommissioning Work Program and Budget.

6.5.C If the Operating Committee approves the Decommissioning Work Program and Budget, Operator shall, as soon as possible, take such steps as may be required under the Contract to secure approval of such Decommissioning Work Program and Budget by the Government. If the Government requests changes to such Decommissioning Work Program and Budget Year as a condition to granting its approval under the Contract, then Operator shall promptly notify the Parties of the Government's proposed changes and may submit a revised Decommissioning Work Program and Budget to the Operating Committee for further consideration.

6.5.D If a Decommissioning Work Program and Budget is not approved by the Operating Committee before the date by which approval is required under the Contract, Operator may submit to the Government a Work Program and Budget for the applicable Contract Year, setting out those Joint Operations that are necessary to keep the Contract in full force

and effect and meet the commitments of a previously approved Development Plan that are required to be carried out during the relevant Contract Year.

6.6 HSE Plan

6.6.A Operator shall in the conduct of Joint Operations:

6.6.A.1 Prepare and establish an HSE Plan designed to achieve safe and reliable conduct of operations and activities, to avoid significant and unintended impact on the safety and health of people, on property, and on the environment, and to comply with Laws relating to HSE;

6.6.A.2 Carry out the HSE Plan in conformance with Laws relating to HSE and in a manner consistent with standards and procedures generally followed in the international petroleum industry under similar circumstances;

6.6.A.3 Plan and conduct Joint Operations consistent with the HSE Plan; and

6.6.A.4 Design and operate Joint Property consistent with the HSE Plan.

6.6.B The Operating Committee shall at least annually review and approve the details of the HSE Plan, the implementation of the HSE Plan, and of the effectiveness of the HSE Plan.

6.6.C In the conduct of Joint Operations, Operator shall establish and carry out a program for regular HSE assessments. The purpose of such assessments is to periodically review HSE systems and procedures, including actual practice and performance, to verify that the HSE Plan is in place and fulfils the requirements of Article 6.6.A, that the HSE Plan is being properly carried out and that the HSE Plan as carried out is effective. Operator shall, at a minimum, conduct such an assessment before entering into significant new Joint Operations and before undertaking any major changes to existing Joint Operations.

6.6.D Operator shall require its contractors, consultants, and agents undertaking activities for the Joint Account to manage HSE risks in a manner consistent with the requirements of HSE Plan.

6.6.E Operator shall establish and enforce rules consistent with those generally followed in the international petroleum industry under similar circumstances that, at a minimum, prohibit within the Contract Area the misuse of prescribed drugs and the possession, use, distribution, or sale of any of the following:

6.6.F Firearms, explosives, or other weapons without the prior written approval of Operator's senior management;

6.6.G Alcoholic beverages without the prior written approval of Operator's senior management; and

6.6.H Illicit or non-prescribed controlled substances.

6.7 Contract Awards

Subject to the Contract, Operator shall award the contract to the best qualified contractor as determined by cost and ability to perform the contract properly, on time, within budgeted cost, and in compliance with applicable legal and contractual requirements, without the obligation to tender and without informing or seeking the approval of the Operating Committee, except that

before entering into contracts with Affiliates of Operator exceeding 100,000 U.S. dollars, Operator shall obtain the approval of the Operating Committee.

6.8 Authorization for Expenditure ("AFE") Procedure

6.8.A Before incurring any commitment or expenditure for a Joint Operation, which commitment or expenditure is estimated to be:

6.8.A.1 more than 250,000 U.S. dollars in an exploration or appraisal Work Program and Budget;

6.8.A.2 more than 500,000 U.S. dollars in a development Work Program and Budget;

6.8.A.3 more than 250,000 U.S. dollars in a production Work Program and Budget, and

6.8.A.4 more than 250,000 U.S. dollars in a Decommissioning Work Program and Budget,

Operator shall send to each Non-Operator an AFE as described in Article 6.8.C; provided that, Operator shall not be obliged to furnish an AFE to the Parties with respect to any Minimum Work Obligations, workovers of wells and general and administrative costs that are listed as separate line items in an approved Work Program and Budget.

6.8.B Prior to entering into any commitments or making any expenditures or incurring any commitments for work subject to the AFE procedure in Article 6.8.A, Operator shall obtain the approval of the Operating Committee to an AFE for cost and technical control purposes. A Party may vote to disapprove an AFE issued in furtherance of an approved Work Programme and Budget only if (i) some or all of the costs described in the AFE exceed the line items in the approved Work Programme and Budget by more than is permitted under Article 6.9, (ii) the proposed terms of any third party contract described in the AFE do not approximate fair market terms; or (iii) in such good faith opinion, any material technical specification contained in the AFE that are not in the approved Work Programme and Budget are imprudent or are not supported by the known data about the formations being drilled. A Party's vote shall be considered a vote to approve the AFE unless the Party specifically describes one or more of the three reasons listed above as the basis for its vote of disapproval. A Party whose Participating Interest share of the costs that are the subject matter of the AFE will be paid for by another Party or an Affiliate of another Party (in either case, the "**Carrying Party**") shall be deemed to vote in the same manner as the Carrying Party in respect of the approval or disapproval of the AFE. If the Operating Committee approves an AFE for the operation within the applicable time period under Article 5.12.A, Operator shall be authorized to conduct the operation under the terms of this Agreement. If the Operating committee fails to approve an AFE for the operation within the applicable time period, the operation shall be deemed rejected. Operator shall promptly notify the Parties if the operation has been rejected. When an operation is rejected under this Article 6.8.B or an operation is approved for differing amounts than those provided for in the applicable line items of the approved Work Programme and Budget, the Work Programme and Budget shall be redeemed to be revised accordingly.

6.8.C Each AFE furnished by Operator shall:

6.8.C.1 Identify the corresponding Joint Operation by specific reference to the applicable line items in the Work Program and Budget;

6.8.C.2 Describe the Joint Operation in detail;

6.8.C.3 Contain Operator's best estimate of the total commitments and expenditures required to carry out such Joint Operation;

6.8.C.4 Outline the proposed work schedule;

6.8.C.5 Provide a forecast schedule of commitments and expenditures, if known; and

6.8.C.6 Be accompanied by such other supporting information as is necessary for an informed decision, or as may be requested by a Party.

6.9 Over-expenditures of Work Programs and Budgets

6.9.A For commitments and expenditures with respect to any line item of an approved Work Program and Budget, Operator shall be entitled to incur in connection with the corresponding Joint Operation without further approval of the Operating Committee a combined over-commitment and over-expenditure for such line item up to ten percent (10%) of the authorized amount for such line item; provided that the cumulative total of all over-commitments and over-expenditures for a Contract Year shall not exceed five percent (5%) of the total annual Work Program and Budget in question.

6.9.B At such time Operator reasonably anticipates that the total amount of the commitments and expenditures actually incurred plus the commitments to be incurred with respect to such line item exceeds the limits of Article 6.9.A, Operator shall furnish to the Operating Committee Operator's reasonably detailed estimate of the total commitments and expenditures required to carry out the Joint Operation corresponding to such line item, together with supporting information.

6.9.B.1 Within fourteen (14) Days after receipt of such proposal, or earlier if necessary to meet any applicable deadline under the Contract, the Operating Committee shall meet to consider, modify (if appropriate), and then either approve or reject the proposed revised Work Program and Budget (including any agreed modifications); provided that no revised Work Program and Budget may provide for Appraisal Operations that exceed the scope of, or conflict with, any previously approved Appraisal Plan, and/or provide for Development and Production Operations that exceed the scope of, or conflict with, any previously approved Development Plan, unless such previously approved plans, programs, and budgets are amended at or before the adoption of the revised Work Program and Budget. A Carrying Party shall be deemed to vote in the same manner as the Carrying Party in respect of the approval or disapproval of that proposed Work Program and Budget.

6.9.B.2 If the Operating Committee approves the revised Work Program and Budget, Operator shall, as soon as possible, take such steps as may be required under the Contract to secure approval of such revised Work Program and Budget by the Government. If the Government requires changes to such revised Work Program and Budget Year as a condition to granting its approval under the Contract, then Operator shall resubmit the proposed changes to the revised Work Program and Budget to the Operating Committee for further consideration.

6.9.C The requirements contained in this Article 6 shall be without prejudice to Operator's rights and duties to make immediate expenditures, incur commitments and/or take actions for emergencies under Article 4.2.B.14; provided that Operator shall promptly report the particulars of the emergency to the Parties, together with the future actions it intends to take and its estimate of the cost of expenditures and commitments incurred or to be incurred. As soon as practicable, Operator shall submit any necessary budget revision

concerning such emergencies to the Operating Committee for approval and incorporation into the relevant Work Program and Budget.

ARTICLE 7 OPERATIONS BY FEWER THAN ALL PARTIES

7.1 Limitation on Applicability

7.1.A No operations may be conducted under the Contract except as Joint Operations under Article 5 or as Exclusive Operations under this Article 7. No Exclusive Operation shall be conducted (other than the tie-in of Exclusive Operation facilities with existing production facilities under Article 7.10) that conflicts with a previously approved Joint Operation or with a previously approved Exclusive Operation.

7.1.B Operations that are required to fulfil the Minimum Work Obligations for the then current phase or period of the Contract must be proposed and conducted as Joint Operations under Article 5, and may not be proposed or conducted as Exclusive Operations under this Article 7.

Except for Exclusive Operations relating to Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompletions or Reworking of a well originally drilled to fulfill the Minimum Work Obligations for the then current phase or period of the Contract, no Exclusive Operations may be proposed or conducted until the Minimum Work Obligations for the then current phase or period of the Contract are fulfilled.

7.1.C No Party may propose or conduct an Exclusive Operation under this Article 7 unless and until such Party has properly exercised its right to propose an Exclusive Operation under Article 5.13, or is entitled to conduct an Exclusive Operation under Article 10.

7.1.D Any operation that may be proposed and conducted as a Joint Operation, other than Development and Production Operations, may be proposed and conducted as an Exclusive Operation, subject to the terms of this Article 7.

7.2 Procedure to Propose Exclusive Operations

7.2.A Subject to Article 7.1, if any Party proposes to conduct an Exclusive Operation, such Party shall give notice of the proposed operation to all Parties, other than Non-Consenting Parties who have relinquished their rights to participate in such operation under Article 7.4.B or Article 7.4.F and have no option to reinstate such rights under Article 7.4.C Such notice shall specify that such operation is proposed as an Exclusive Operation and include the work to be performed, the location, the objectives, and estimated cost of such operation.

7.2.B Any Party entitled to receive such notice shall have the right to participate in the proposed operation.

7.2.B.1 For proposals to Deepen, Test, Complete, Sidetrack, Plug Back, Recomplete, or Rework related to Urgent Operational Matters, any such Party wishing to exercise such right must so notify the proposing Party and Operator within twenty-four (24) hours after receipt of the notice proposing the Exclusive Operation.

7.2.B.2 For proposals to develop a Discovery, any Party wishing to exercise such right must so notify Operator and the Party proposing to develop within sixty (60) Days, or earlier if necessary to meet any applicable deadline under the Contract, after receipt of the notice proposing the Exclusive Operation.

7.2.B.3 For all other proposals, any such Party wishing to exercise such right must so notify the proposing Party and Operator within ten (10) Days, or earlier if necessary to meet any applicable deadline under the Contract, after receipt of the notice proposing the Exclusive Operation.

7.2.C Failure of a Party to whom a proposal notice is delivered to reply properly within the period specified above shall be deemed an election by that Party not to participate in the proposed operation.

7.2.D If all Parties properly exercise their rights to participate, then the proposed operation shall be conducted as a Joint Operation. Operator shall commence such Joint Operation as promptly as practicable and conduct it with due diligence.

7.2.E If fewer than all Parties entitled to receive such proposal notice properly exercise their rights to participate, then:

7.2.E.1 Immediately after the expiration of the applicable notice period set out in Article 7.2.B, Operator shall notify all Parties of the names of the Consenting Parties and the recommendation of the proposing Party as to whether the Consenting Parties should proceed with the Exclusive Operation.

7.2.E.2 Concurrently, Operator shall request the Consenting Parties to specify the Participating Interest each Consenting Party is willing to bear in the Exclusive Operation.

7.2.E.3 Within twenty-four (24) hours after receipt of such notice, each Consenting Party shall respond to Operator stating that it is willing to bear a Participating Interest in such Exclusive Operation equal to:

(a) Only its Participating Interest as stated in Article 3.2.A;

(b) A fraction, the numerator of which is such Consenting Party's Participating Interest as stated in Article 3.2.A and the denominator of which is the aggregate of the Participating Interests of the Consenting Parties as stated in Article 3.2.A; or

(c) The Participating Interest as contemplated by Article 7.2.E.3(b) plus all or any part of the difference between one hundred percent (100%) and the total of the Participating Interests subscribed by the other Consenting Parties. Any portion of such difference claimed by more than one Party shall be distributed to each claimant on a pro-rata basis.

7.2.E.4 Any Consenting Party failing to advise Operator within the response period set out above shall be deemed to have elected to bear the Participating Interest set out in Article 7.2.E.3(b) as to the Exclusive Operation.

7.2.E.5 If, within the response period set out above, the Consenting Parties subscribe less than one hundred percent (100%) of the Participating Interest in the Exclusive Operation, the Party proposing such Exclusive Operation shall be deemed to have withdrawn its proposal for the Exclusive Operation, unless within twenty-four (24) hours of the expiry of the response period set out in Article 7.2.E.3 the proposing Party notifies the other Consenting Parties that the proposing Party shall bear the unsubscribed Participating Interest.

7.2.E.6 If one hundred percent (100%) subscription to the proposed Exclusive Operation is obtained, Operator shall promptly notify the Consenting Parties of their Participating Interests in the Exclusive Operation.

7.2.E.7 As soon as any Exclusive Operation is fully subscribed under Article 7.2.E.6, Operator, subject to Article 7.11.F, shall commence such Exclusive Operation as promptly as practicable and conduct it with due diligence under this Agreement.

7.2.E.8 If such Exclusive Operation has not been commenced within ninety (90) Days (excluding any extension specifically agreed by all Parties or allowed by the Force Majeure provisions of Article 16) after the date of the notice given by Operator under Article 7.2.E.6, the right to conduct such Exclusive Operation shall terminate. If any Party still desires to conduct such Exclusive Operation, then such Party must resubmit to the Parties notice proposing such operation under Article 5 as if no proposal to conduct an Exclusive Operation had been previously made.

7.3 Responsibility for Exclusive Operations

7.3.A The Consenting Parties shall bear in accordance with the Participating Interests agreed under Article 7.2.E the entire cost and liability of conducting an Exclusive Operation and shall indemnify the Non-Consenting Parties from any damages, losses, costs (including reasonable legal costs and attorneys' fees), and liabilities incurred incident to such Exclusive Operation (including Consequential Loss and Environmental Loss) and shall keep the Contract Area free of all liens and Encumbrances of every kind created by or arising from such Exclusive Operation.

7.3.B Despite Article 7.3.A, each Party shall continue to bear its Participating Interest share of the cost and liability incident to the operations in which it participated, including plugging and abandoning and restoring the surface location, but only to the extent those costs were not increased by the Exclusive Operation.

7.4 Consequences of Exclusive Operations

7.4.A With respect to any Exclusive Operation, for so long as a Non-Consenting Party has the option under Article 7.4.C to reinstate the rights it relinquished under Article 7.4.B, such Non-Consenting Party shall be entitled to have access concurrently with the Consenting Parties to all data and other information relating to such Exclusive Operation, other than G & G Data obtained in an Exclusive Operation. If a Non-Consenting Party desires to receive and acquire the right to use such G & G Data, then such Non-Consenting Party shall have the right to do so by paying to the Consenting Parties its Participating Interest share as set out in Article 3.2.A of the cost incurred in obtaining such G & G Data.

7.4.B Subject to Article 7.4.C, each Non-Consenting Party shall be deemed to have relinquished to the Consenting Parties, and the Consenting Parties shall be deemed to own, in proportion to the incremental Participating Interest that each agreed to bear under Article 7.2.E in any Exclusive Operation:

7.4.B.1 All of each such Non-Consenting Party's right:

(a) to participate in further operations to drill, Deepen, Recomplete, Rework, Sidetrack, Test in the well, or Deepened or Sidetracked portion of a well, in which the Exclusive Operation was conducted; and

(b) under the Contract to take and dispose of Hydrocarbons produced and saved from the well, or from a Recompleted, Reworked, Deepened or

Sidetracked portion of a well, in which the Exclusive Operation was conducted; and

7.4.B.2 All of each such Non-Consenting Party's right:

(a) to participate in any Discovery made during such Exclusive Operation;

(b) to participate in any Discovery appraised in the course of such Exclusive Operation; and

(c) under the Contract to take and dispose of Hydrocarbons produced and saved from any Appraisal Well or Development Well drilled during such Exclusive Operation.

7.4.C A Non-Consenting Party shall have only the following options to reinstate the rights it relinquished under Article 7.4.B:

7.4.C.1 If the Consenting Parties decide to appraise a Discovery made in the course of an Exclusive Operation, the Consenting Parties shall submit to each Non-Consenting Party the approved Appraisal Plan. For thirty (30) Days (or forty-eight (48) hours for Urgent Operational Matters) from receipt of such Appraisal Plan, each Non-Consenting Party shall have the option to reinstate the rights it relinquished under Article 7.4.B and to participate in such Appraisal Plan. The Non-Consenting Party may exercise such option by notifying Operator within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the cost and liability of such Appraisal Plan, and to pay such amounts as set out in Articles 7.5.A and 7.5.B.

7.4.C.2 If the Consenting Parties decide to develop a Discovery made or appraised during an Exclusive Operation, the Consenting Parties shall submit to the Non-Consenting Parties a Development Plan substantially in the form intended to be submitted to the Government under the Contract. For sixty (60) Days from receipt of such Development Plan or such lesser period of time prescribed by the Contract, each Non-Consenting Party shall have the option to reinstate the rights it relinquished under Article 7.4.B and to participate in such Development Plan. The Non-Consenting Party may exercise such option by notifying Operator within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the cost and liability of such Development Plan and such future operating and producing costs, and to pay the amounts as set out in Articles 7.5.A and 7.5.B.

7.4.C.3 If the Consenting Parties decide to Deepen, Complete, Sidetrack, Plug Back or Recomplete an Exclusive Well and such further operation was not included in the original proposal for such Exclusive Well, the Consenting Parties shall submit to the Non-Consenting Parties the approved AFE for such further operation. For thirty (30) Days (or forty-eight (48) hours for Urgent Operational Matters) from receipt of such AFE, each Non-Consenting Party shall have the option to reinstate the rights it relinquished under Article 7.4.B and to participate in such operation. The Non-Consenting Party may exercise such option by notifying Operator within the period specified above that such Non-Consenting Party agrees to bear its Participating Interest share of the cost and liability of such further operation, and to pay the amounts as set out in Articles 7.5.A and 7.5.B.

A Non-Consenting Party shall not be entitled to reinstate its rights in any other type of operation.

7.4.D If a Non-Consenting Party does not properly and in a timely manner exercise its option under Article 7.4.C, including paying all amounts due under Articles 7.5.A and 7.5.B, such Non-Consenting Party shall have forfeited the options as set out in Article 7.4.C and the right to participate in the proposed program, unless such program, plan or operation is materially modified or expanded (in which case a new notice and option shall be given to such Non-Consenting Party under Article 7.4.C).

7.4.E A Non-Consenting Party exercising its option under Article 7.4.C shall notify the other Parties that it agrees to bear its share of the cost and liability of such further operation and to reimburse the amounts set out in Articles 7.5.A and 7.5.B that such Non-Consenting Party had not previously paid. Such Non-Consenting Party shall in no way be deemed to be entitled to any amounts paid under Articles 7.5.A and 7.5.B incident to such Exclusive Operations. The Participating Interest of such Non-Consenting Party in such Exclusive Operation shall be its Participating Interest set out in Article 3.2.A.The Consenting Parties shall contribute to the Participating Interest of the Non-Consenting Party in proportion to the incremental Participating Interest that each agreed to bear under Article 7.2.E. If all Parties participate in the proposed operation, then such operation shall be conducted as a Joint Operation under Article 5.

7.4.F If after the expiry of the period in which a Non-Consenting Party may exercise its option to participate in a Development Plan the Consenting Parties desire to proceed, Operator shall give notice to the Government under the appropriate provision of the Contract requesting a meeting to advise the Government that the Consenting Parties consider the Discovery to be a Commercial Discovery. After such meeting such Operator for such development shall apply for a Development and Production Area (if applicable in the Contract). Unless the Development Plan is materially modified or expanded before the commencement of operations under such plan (in which case a new notice and option shall be given to the Non-Consenting Parties under Article 7.4.C), each Non-Consenting Party to such Development Plan shall:

7.4.F.1 If the Contract so allows, elect not to apply for a Development and Production Area covering such development and forfeit all interest in such Development and Production Area, or

7.4.F.2 If the Contract does not so allow, be deemed to have:

(a) Elected not to apply for a Development and Production Area covering such development;

(b) Forfeited all economic interest in such Development and Production Area; and

(c) Assumed a fiduciary duty to exercise its legal interest in such Development and Production Area for the benefit of the Consenting Parties.

In either case such Non-Consenting Party shall be deemed to have withdrawn from this Agreement to the extent it relates to such Development and Production Area, even if the Development Plan is modified or expanded after the start of operations under such Development Plan and shall be further deemed to have forfeited any right to participate in the construction and ownership of facilities outside such Development and Production Area designed solely for the use of such Development and Production Area.

7.5 Premium to Participate in Exclusive Operations

7.5.A Each such Non-Consenting Party shall, within thirty (30) Days of the exercise of its option under Article 7.4.C, pay in immediately available funds to the Consenting Parties that took the risk of such Exclusive Operations (in proportion to the incremental Participating Interest that each agreed to bear under Article 7.2.E in such Exclusive Operations in which such Non-Consenting Party is reinstating its rights) a lump sum amount payable in the currency designated by such Consenting Parties. Such lump sum amount shall be equal to such Non-Consenting Party's Participating Interest share of all costs and liabilities that were incurred in every Exclusive Operation relating to the Discovery (or Exclusive Well, as applicable) in which the Non-Consenting Party desires to reinstate the rights it relinquished under Article 7.4.B, and that were not previously paid by such Non-Consenting Party.

7.5.B In addition to the payment required under Article 7.5.A, immediately after the exercise of its option under Article 7.5.C each such Non-Consenting Party shall be liable to reimburse the Consenting Parties that took the risk of such Exclusive Operations (in proportion to the incremental Participating Interest that each agreed to bear under Article 7.2.E in such Exclusive Operations in which such Non-Consenting Party is reinstating its rights) an amount equal to the total of:

7.5.B.1 two hundred percent (200%) of such Non-Consenting Party's Participating Interest share of all costs and liabilities that were incurred in any Exclusive Operation relating to the obtaining of the portion of the G & G Data that pertains to the Discovery, and that were not previously paid by such Non-Consenting Party; plus

7.5.B.2 five hundred percent (500%) of such Non-Consenting Party's Participating Interest share of all costs and liabilities that were incurred in any Exclusive Operation relating to the drilling, Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting, and Reworking of the Exploration Well that made the Discovery in which the Non-Consenting Party desires to reinstate the rights it relinquished under Article 7.4.B, and that were not previously paid by such Non-Consenting Party; plus

7.5.B.3 four hundred percent (400%) of the Non-Consenting Party's Participating Interest share of all costs and liabilities that were incurred in any Exclusive Operation relating to the drilling, Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting and Reworking of the Appraisal Well(s) that delineated the Discovery in which the Non-Consenting Party desires to reinstate the rights it relinquished under Article 7.4.B, and that were not previously paid by such Non-Consenting Party.

7.5.C Each such Non-Consenting Party that is liable for the amounts set out in Article 7.5.B shall, within sixty (60) Days of the exercise of its option under Article 7.4.C, pay in immediately available funds the full amount due from it under Article 7.5.B to such Consenting Parties, in the currency designated by such Consenting Parties.

7.5.D The Non-Consenting Party exercising its option under Article 7.4.C shall, in accordance with Article 19, be entitled to all Cost Hydrocarbons derived from reimbursements made under Article 7.5.A. Such Non-Consenting Party shall not be entitled to Cost Hydrocarbons associated with payments made under Article 7.5.B, unless the Contract or any Laws require otherwise. Each Consenting Party shall have the right to refuse to accept all or any portion of its share of amounts paid under Articles 7.5.A Consenting Party on a pro-rata basis.

7.6 Order of Preference of Operations

7.6.A Except as otherwise specifically provided in this Agreement, if any Party desires to propose the conduct of an operation that will conflict with an existing proposal for an Exclusive Operation, such Party shall have the right exercisable for five (5) Days (or twenty-four (24) hours for Urgent Operational Matters) from receipt of the proposal for the Exclusive Operation, to deliver such Party's alternative proposal to all Parties entitled to participate in the proposed operation. Such alternative proposal shall contain the information required under Article 7.2.A.

7.6.B Each Party receiving such proposals shall elect by delivery of notice to Operator and to the proposing Parties within the appropriate response period set out in Article 7.2.B to participate in one of the competing proposals. Any Party not notifying Operator and the proposing Parties within the response period shall be deemed to have voted against the proposals.

7.6.C The proposal receiving the largest aggregate Participating Interest vote shall have priority over all other competing proposals. In the case of a tie vote, Operator shall choose among the proposals receiving the largest aggregate Participating Interest vote. Operator shall deliver notice of such result to all Parties entitled to participate in the operation within five (5) Days (or twenty-four (24) hours for Urgent Operational Matters).

7.6.D Each Party shall then have two (2) Days (or twenty-four (24) hours for Urgent Operational Matters) from receipt of such notice to elect by delivery of notice to Operator and the proposing Parties whether such Party will participate in such Exclusive Operation, or will relinquish its interest under Article 7.4.B. Failure by a Party to deliver such notice within such period shall be deemed an election not to participate in the prevailing proposal.

7.7 Stand-By Costs

7.7.A When an operation has been performed, all tests have been conducted and the results of such tests furnished to the Parties, stand by costs incurred pending response to any Party's notice proposing an Exclusive Operation for Deepening, Testing, Sidetracking, Completing, Plugging Back, Recompleting, Reworking, or other further operation in such well (including the period required under Article 7.6 to resolve competing proposals) shall be charged and borne by the Parties as part of the operation just completed. Stand by costs incurred after all Parties respond, or after expiration of the response time permitted, whichever first occurs, shall be charged to and borne by the Parties proposing the Exclusive Operation in proportion to their Participating Interests, regardless of whether such Exclusive Operation is actually conducted.

7.7.B If a further operation related to Urgent Operational Matters is proposed while the drilling rig to be used is on location, any Party may request and receive up to five (5) additional Days after expiration of the applicable response period specified in Article 7.2.B.1 within which to respond by notifying Operator that such Party agrees to bear all stand by costs and other costs incurred during such extended response period. Operator may require such Party to pay the estimated stand by costs in advance as a condition to extending the response period. If more than one Party requests such additional time to respond to the notice, stand by costs shall be allocated between such Parties on a Day-to-Day basis in proportion to their Participating Interests.

7.8 Use of Property

7.8.A The Parties participating in any Deepening, Testing, Completing, Sidetracking, Plugging Back, Recompleting, or Reworking of any well drilled under this Agreement shall be

permitted to use (free of cost) all casing, tubing, and other equipment in the well that is not needed for operations by the owners of the wellbore, but the ownership of all such equipment shall remain unchanged. On abandonment of a well in which operations with differing participation have been conducted, the Parties abandoning the well shall account for all equipment in the well to the Parties owning such equipment by tendering to them their respective Participating Interest shares of the value of such equipment less the cost of salvage.

7.8.B Any Party (whether owning interests in the platform or not) shall be permitted to use spare slots in a platform constructed under this Agreement for purposes of drilling Exploration Wells and/or Appraisal Wells and running tests in the Contract Area. No Party except an owner of a platform may drill Development Wells or run production from a well (except production resulting from initial well tests) from the platform without the prior written consent of all platform owners. If all owners of the platform participate in the drilling of a well, then no fee shall be payable under this Article 7.8.B. Otherwise, each time a well is drilled from a platform, the Consenting Parties in the well shall pay to the owners of the platform until all wells drilled by such Parties have been plugged and abandoned a monthly fee equal to (1) that portion of the total cost of the platform (including costs of material, fabrication, transportation and installation), divided by the number of months of useful life established for the platform under the tax law of the host country, that one well slot bears to the total number of slots on the platform plus (2) that proportionate part of the monthly cost of operating, maintaining and financing the platform that the well drilled under this Article 7.8.B bears to the total number of wells served by such platform. Consenting Parties who have paid to drill a well from a platform under this Article 7.8.B shall be entitled to Deepen or Sidetrack that well for no additional charge if done before moving the drilling rig off of location.

7.8.C Spare capacity in a platform under Article 7.8.B or equipment that is constructed under this Agreement and used for processing or transporting Crude Oil and Natural Gas after it has passed through primary separators and dehydrators (including treatment facilities, gas processing plants and pipelines) shall be available for use by any Party for Hydrocarbon production from the Contract Area on the terms set forth below. All Parties desiring to use such equipment shall nominate capacity in such equipment on a monthly basis by notice to Operator at least ten (10) Days before the beginning of each month. Operator may nominate capacity for the owners of the equipment if they so elect. If at any time the capacity nominated exceeds the total capacity of the equipment, the capacity of the equipment shall be allocated in the following priority: (1) first, to the owners of the equipment up to their respective Participating Interest shares of total capacity, (2) second, to owners of the equipment desiring to use capacity in excess of their Participating Interest shares, in proportion to the Participating Interest of each such Party and (3) third, to Parties not owning interests in the equipment, in proportion to their Participating Interests in this Agreement. Owners of the equipment shall be entitled to use up to their Participating Interest share of total capacity without payment of a fee under this Article 7.8.B. Otherwise, each Party using equipment under this Article 7.8.B shall pay to the owners of the equipment monthly throughout the period of use an arm's-length fee based upon third party charges for similar services in the vicinity of the Contract Area. If no arm's-length rates for such services are available, then the Party desiring to use equipment under this Article 7.8.B shall pay to the owners of the equipment a monthly fee equal to (1) that portion of the total cost of the equipment, divided by the number of months of useful life established for such equipment under the tax law of the host country, that the capacity made available to such Party on a fee basis under this Article 7.8.B bears to the total capacity of the equipment plus (2) that portion of the monthly cost of maintaining,

operating and financing the equipment that the capacity made available to such Party on a fee basis under this Article 7.8.B bears to the total capacity of the equipment.

7.8.D Payment for the use of equipment under Article 7.8.B shall not result in an acquisition of any additional interest in the equipment or platform by the paying Parties. However, such payments shall be included in the costs that the paying Parties are entitled to recoup under Article 7.5.

7.8.E Parties electing to use spare capacity in equipment under Article 7.8.B shall indemnify the owners of the equipment against any costs and liabilities incurred as a result of such use (including any Consequential Loss and Environmental Loss) but excluding costs and liabilities for which Operator is solely responsible under Article 4.6.

7.9 Lost Production during Tie-In of Exclusive Operation Facilities

If, during the tie-in of Exclusive Operation facilities with the existing production facilities of another operation, the production of Hydrocarbons from such other pre-existing operations is temporarily lessened as a result, then the Consenting Parties shall compensate the parties to such existing operation for such loss of production in the following manner. Operator shall determine the amount by which each Day's production during the tie-in of Exclusive Operation facilities falls below the previous month's average daily production from the existing production facilities of such operation. The so-determined amount of lost production shall be recovered by all Parties who experienced such loss in proportion to their respective Participating Interest. Upon completion of the tie-in, such lost production shall be recovered in full by Operator deducting up to one hundred percent (100%) of the production from the Exclusive Operation, before the Consenting Parties being entitled to receive any such production.

7.10 Production Bonuses

The Production Bonuses shall be charged to the Joint Account if there is no Hydrocarbon production from an Exclusive Operation at the time they are incurred. If there is Hydrocarbon production from one or more Exclusive Operations, then any Production Bonus that becomes payable under the Contract shall be borne by each Development and Production Area that produced Hydrocarbons during the three hundred and sixty five (365) Day period preceding the date on which liability for the Production Bonus is incurred, in the proportion that its cumulative production of Hydrocarbons through that date bears to the total cumulative production of Hydrocarbons through that date from all Development and Production Areas liable for the Production Bonus.

The Parties in a Development and Production Area shall bear the Production Bonus allocated to that Development and Production Area in accordance with their Participating Interests in that Development and Production Area as of the date on which liability for the Production Bonus was incurred. Only types, grades and qualities of Hydrocarbons used for the determination of the Production Bonus under the Contract shall be used in the calculations in this Article 7.1.

7.11 Conduct of Exclusive Operations

7.11.A Each Exclusive Operation shall be carried out by the Consenting Parties acting as the Operating Committee, subject to the provisions of this Agreement applied mutatis mutandis to such Exclusive Operation and subject to the terms and conditions of the Contract.

7.11.B The computation of costs and liabilities incurred in Exclusive Operations, including the costs and liabilities of Operator for conducting such operations, shall be made in accordance with the principles set out in the Accounting Procedure.

7.11.C Operator shall maintain separate books, financial records and accounts for Exclusive Operations which shall be subject to the same rights of audit and examination as the Joint Account and related records, all as provided in the Accounting Procedure. Said rights of audit and examination shall extend to each of the Consenting Parties and each of the Non-Consenting Parties so long as the latter are, or may be, entitled to elect to participate in such Exclusive Operations.

7.11.D If Operator is conducting an Exclusive Operation for the Consenting Parties, regardless of whether it is participating in that Exclusive Operation, Operator shall be entitled to request cash advances and shall not be required to use its own funds to pay any cost or liability attributable to any Exclusive Operations and shall not be obliged to commence or continue Exclusive Operations until cash advances requested have been made, and the Accounting Procedure shall apply to Operator concerning any Exclusive Operations conducted by it.

7.11.E If a Development Plan has been approved under Article 6.3, or if any Party proposes (but does not yet have the right to commence) a development under this Article 7 where neither the Development Plan nor the development proposal call for the drilling of one or more Appraisal Wells, and should any Party wish to drill an additional Appraisal Well before development, then the Party proposing the Appraisal Well as an Exclusive Operation shall be entitled to proceed first, but without the right (subject to the following sentence) to future reimbursement under Article 7.5. If such an Appraisal Well is produced, any Consenting Party shall own and have the right to take in kind and separately dispose of all of the Non-Consenting Party's Entitlement from such Appraisal Well until the value received in sales to purchasers in arm-length transactions equals one hundred percent (100%) of such Non-Consenting Party's Participating Interest shares of all costs and liabilities that were incurred in any Exclusive Operations relating to the Appraisal Well. After the completion of drilling such Appraisal Well as an Exclusive Operation, the Parties may proceed with the Development Plan approved under Article 5.9, or (if applicable) the Parties may complete the procedures to propose an Exclusive Operation to develop a Discovery. If, as the result of drilling such Appraisal Well as an Exclusive Operation, the Party or Parties proposing to develop the Discovery decide(s) not to do so, then each Non-Consenting Party who voted in favor of such Development Plan before the drilling of such Appraisal Well shall pay to the Consenting Party the amount such Non-Consenting Party would have paid had such Appraisal Well been drilled as a Joint Operation.

7.11.F If Operator is a Non-Consenting Party to an Exclusive Operation to develop a Discovery, then Operator may resign as Operator for the Development and Production Area for such Discovery. If Operator so resigns, the Consenting Parties shall select a Consenting Party to serve as Operator for such Exclusive Operation only.

Any such resignation of Operator and appointment of a Consenting Party to serve as Operator for such Exclusive Operation shall be subject to the Parties having first obtained any necessary Government approvals.

ARTICLE 8 DEFAULT

8.1 Default and Notice

8.1.A Any Party that fails to pay when due its share of Joint Account charges (including Cash Calls and interest), or provide when due and maintain any Security required of such Party under the Contract or this Agreement, or perform its indemnity obligations under this Agreement, shall be in default under this Agreement (a "**Defaulting Party**"). Operator, or any non-defaulting Party in case Operator is in default under this Agreement, shall promptly give a Default Notice to the Defaulting Party and each of the other Parties.

8.1.B For the duration of the Default Period the Party in default shall be a Defaulting Party for the purposes of this Agreement. All Default Amounts shall bear interest at the Default Interest Rate from the due date to the date of receipt of payment.

8.2 Operating Committee Meetings, Data, and Entitlements

8.2.A Except as provided in Article 8.3.C the Defaulting Party has no right, during the Default Period, to:

8.2.A.1 Call or attend Operating Committee or subcommittee meetings;

8.2.A.2 Vote on any matter coming before the Operating Committee or any subcommittee;

8.2.A.3 Have access to any data or information relating to any operations under this Agreement;

8.2.A.4 Consent to or reject data trades between the Parties and third parties, nor access any data received in such data trades;

8.2.A.5 Consent to or reject any Transfer or otherwise exercise any other rights with respect to Transfers under this Article 8 or under Article 12;

8.2.A.6 Receive its Entitlement under Article 8.4; or

8.2.A.7 Take assignment of any portion of another Party's Participating Interest if such other Party is either in default or withdrawing from this Agreement and the Contract.

8.2.B During the Default Period the Defaulting Party may not transfer all or part of its Participating Interest, except to non-defaulting Parties under this Article 8.

8.2.C Despite any other provisions in this Agreement, during the Default Period:

8.2.C.1 Unless agreed otherwise by the non-defaulting Parties, the voting interest of each non-defaulting Party shall be equal to the ratio such non-defaulting Party's Participating Interest bears to the total Participating Interests of the non-defaulting Parties;

8.2.C.2 Any matters requiring a unanimous vote or approval of the Parties shall not require the vote or approval of the Defaulting Party;

8.2.C.3 The Defaulting Party shall be deemed to have elected not to participate in any operations that are voted upon during the Default Period, to the extent such an election would be permitted by Article 5.13 and Article 7; and

8.2.C.4 The Defaulting Party shall be deemed to have approved, and shall join with the non-defaulting Parties in taking, any other actions voted on during the Default Period.

8.3 Allocation of Defaulted Amounts

8.3.A The Party providing the Default Notice under Article 8.1 shall include in the Default Notice to each non-defaulting Party a statement of:

8.3.A.1 The amount that the non-defaulting Party shall pay as its portion of the Default Amount; and

8.3.A.2 If the Defaulting Party has failed to obtain or maintain any Security required of such Party in order to maintain the Contract in full force and effect, the type and amount of the Security the non-defaulting Parties shall post or the funds they shall pay in order to allow Operator, or (if Operator is in default) the notifying Party, to post and maintain such Security.

Unless otherwise agreed, the non-defaulting Parties shall satisfy the obligations for which the Defaulting Party is in default in proportion to the ratio that each non-defaulting Party's Participating Interest bears to the Participating Interests of all non-defaulting Parties.

8.3.B If the Defaulting Party remedies its default in full before the Default Period commences, the notifying Party shall promptly notify each non-defaulting Party by facsimile and by telephone or email, and the non-defaulting Parties shall be relieved of their obligations under Article 8.3.A. Otherwise, each non-defaulting Party shall satisfy its obligations under Article 8.3.A.1 before the Default Period commences and its obligations under Article 8.3.A.2 within ten (10) Days after the Default Notice. If any non-defaulting Party fails to timely satisfy such obligations, such Party shall be a Defaulting Party subject to the provisions of this Article 8. The non-defaulting Parties shall be entitled to receive their respective shares of the Total Amount in Default payable by such Defaulting Party under this Article 8.

8.3.C At any time before the date of notice of exercise of the rights under Article 8.4.D to compel the Defaulting Party to withdraw from this Agreement or to sell its Participating Interest, as applicable, a Defaulting Party may remedy its default by paying to the Operator the Total Amount in Default. A Party may pay a portion of its default by paying to the Operator less than the Total Amount in Default, but shall remain in default.

8.3.D If Operator is a Defaulting Party, then all payments otherwise payable to the Joint Account under this Agreement shall be made to the notifying Party instead of to the Joint Account until the Operator's default is cured or a successor Operator appointed.

8.3.D.1 The notifying Party shall maintain such funds in a segregated account separate from its own funds and shall apply such funds to third party claims due and payable from the Joint Account of which it has notice, to the extent Operator would be authorized to make such payments under this Agreement. The notifying Party shall be entitled to bill or Cash Call the other Parties under the Accounting Procedure for proper third party charges that become due and payable during such period to the extent sufficient funds are not available. When Operator has cured its default or a successor Operator is appointed, the notifying Party shall turn over all remaining funds in the account to Operator and shall provide Operator and the other Parties with a detailed accounting of the funds received and expended during this period. The notifying Party shall not be liable for damages, losses, costs, or liabilities arising as a result of its actions under this Article 8.3.D, except to the extent Operator would be liable under Article 4.6.

8.3.D.2 While the Operator is a Defaulting Party, the Operator shall continue to perform its other functions as the Operator that are not transferred to the notifying Party by this Article, until Operator is removed or resigns.

8.3.E Subject to the exercise by a non-defaulting Party of its rights under Article 8.4.D, if all Parties are Defaulting Parties, then the Parties shall be deemed to have collectively decided

to withdraw, and the Parties agree that they shall be bound by the terms and conditions of this Agreement for so long as may be necessary to wind up the affairs of the Parties with the Government, to satisfy any requirements of the Contract and Laws and to facilitate the sale, disposition or abandonment of property or interests held by the Joint Account, all under Article 2.

8.4 Remedies

8.4.A During the Default Period, the Defaulting Party has no right to take in kind or separately dispose of its Entitlement, which Entitlement shall under this Article 8.4.A vest in and be the property of the non-defaulting Parties. Operator (or the notifying Party if Operator is a Defaulting Party) shall be authorized and under Article 8.4.I has a power of attorney to take and sell such Entitlement in an arm's-length sale on terms that are commercially reasonable under the circumstances and, after deducting all costs and liabilities incurred in connection with such sale pay the net proceeds to the non-defaulting Parties in proportion to the amounts they are owed by the Defaulting Party as a part of the Total Amount in Default (in payment of first the interest and then the principal) and apply such net proceeds toward the establishment of the Reserve Fund, if applicable, until the Total Amount in Default is recovered and such Reserve Fund is established. Any surplus remaining shall be paid to the Defaulting Party, and any deficiency shall be carried forward as a Default Amount. When making sales under this Article 8.4.A, the non-defaulting Parties shall have no obligation to share any existing market or obtain a price equal to the price at which their own production is sold.

8.4.B If Operator disposes of any Joint Property or if any other credit or adjustment is made to the Joint Account during the Default Period, Operator (or the notifying Party if Operator is a Defaulting Party) shall be entitled to apply the Defaulting Party's Participating Interest share of the proceeds of such disposal, credit, or adjustment against the Total Amount in Default (against first the interest and then the principal) and toward the establishment of the Reserve Fund, if applicable. Any surplus remaining shall be paid to the Defaulting Party, and any deficiency shall be carried forward as a Default Amount.

8.4.C The non-defaulting Parties shall be entitled to apply the net proceeds received under Articles 8.4.A and 8.4.B toward the creation of a reserve fund (the "**Reserve Fund**") in an amount equal to the Defaulting Party's Participating Interest share of:

8.4.C.1 The estimated Decommissioning Costs, to the extent the Parties have not provided for Decommissioning Security under Article 10;

8.4.C.2 The estimated cost of severance benefits for local employees upon cessation of operations; and

8.4.C.3 Any other identifiable costs that the non-defaulting Parties anticipate will be incurred in connection with the cessation of operations.

Upon the conclusion of the Default Period, all amounts held in the Reserve Fund shall be returned to the Party previously in Default.

8.4.D If a Defaulting Party fails to fully remedy all its defaults by the thirtieth (30th) Day of the Default Period, or by the fifteenth (15th) Day of the corresponding Default Period of any subsequent default occurring within twelve (12) Months of the preceding default, then, without prejudice to any other rights available to each non-defaulting Party to recover its portion of the Total Amount in Default, at any time afterwards until the Defaulting Party has cured its defaults:

8.4.D.1 any non-defaulting Party shall have the option, exercisable in its discretion at any time, to require that the Defaulting Party offer to completely withdraw from this Agreement and assign all of its Participating Interest, as described in Article 8.4.E; and/or

8.4.D.2 any non-defaulting Party shall have the option, exercisable in its discretion at any time, to require that the Defaulting Party offer to sell and assign all of its Participating Interest to any non-defaulting Parties wishing to purchase such Participating Interest, as described in Article 8.4.F; and/or

8.4.D.3 any non-defaulting Party shall have the option, exercisable in its discretion at any time, to foreclose its mortgage and security interest against a pro rata share of the Collateral, as described in Article 8.4.G.

Such options shall be exercised by providing notice of such election to the Defaulting Party and each non-defaulting Party. Until the Defaulting Party's Participating Interest has been assigned in full under this Article 8.4, each option is cumulative, not exclusive. The exercise of one option that does not result in the assignment of the Defaulting Party's Participating Interest shall not preclude the non-defaulting Parties from exercising such option again, or from exercising another option; provided that if an option set out in Article 8.4.D.2 or Article 8.4.D.3 is exercised, then the other options may not be exercised unless and until the non-defaulting Parties have been deemed to have elected not to acquire all or part of the Participating Interest of the Defaulting Party under Article 8.4.F, as applicable. All costs pertaining to any such assignment (including any stamp duty incurred on the documents signed to effect such assignment) shall be the responsibility of the Defaulting Party.

8.4.E If the option set out in Article 8.4.D.1 is exercised, the Defaulting Party shall be deemed to have proposed to withdraw and assign, under Article 13.6, effective on the date of the non-defaulting Party's or Parties' notice, its Participating Interest to the non-defaulting Parties; provided that any non-defaulting Party that did not join in the notice of exercise of such option shall have the right exercisable for ten (10) Days from the date of such notice to notify the other non-defaulting Parties that it refuses to accept such proposed assignment. In the absence of an agreement to the contrary among the non-defaulting Parties willing to accept an assignment, any assignment to the non-defaulting Parties after a withdrawal under this Article 8.4.E shall be in proportion to the Participating Interests of the non-defaulting Parties, excluding any non-defaulting Party that has given notice that it refuses to accept such proposed assignment.

8.4.F In connection with the option set out in Article 8.4.D.2 each Party grants to each of the other Parties the right and option to acquire (the "**Buy-Out Option**") under Article 8.4.F.1 all of its Participating Interest for the consideration determined under Article 8.4.F.2 (the "**Buy-Out Price**") and paid under Article 8.4.F.3.

8.4.F.1 Each non-defaulting Party may, but shall not be obligated to, exercise such Buy-Out Option by notice to the Defaulting Party and each other non-defaulting Party (the "**Buy-Out Notice**"). The Defaulting Party shall be deemed to have proposed to sell and assign, effective on the date of the Buy-Out Notice, its entire Participating Interest to the non-defaulting Parties having exercised the Buy-Out Option (each, an "**Acquiring Party**"). Any other non-defaulting Party that gives an Option Notice within thirty (30) Days after the Buy-Out Option is first exercised by an Acquiring Party shall also become an Acquiring Party. Any non-defaulting Party that fails to exercise its Buy-Out Option during such thirty (30) Day period shall be deemed to have elected not to become an Acquiring Party, and its Buy-Out Option with respect to the Defaulting Party shall terminate. Each Acquiring Party shall be

deemed to have proposed to acquire a proportion of the Participating Interest of the Defaulting Party equal to the ratio of such Acquiring Party's Participating Interest to the total Participating Interests of all Acquiring Parties and pay such proportion of the Buy-Out Price, unless they otherwise agree.

8.4.F.2 The Buy-Out Price shall be determined as follows:

Each Acquiring Party shall specify in its Buy-Out Notice a value for the Defaulting Party's entire Participating Interest. Within five (5) Days after the thirty (30) Day period after the Buy-Out Option is first exercised, the Defaulting Party shall (i) notify the Acquiring Parties that it accepts, with respect to each Acquiring Party, such Acquiring Party's proportionate share of the value specified by such Acquiring Party in its Buy-Out Notice (in which case this value is, with respect to such Acquiring Party, the "**Buy-Out Price**"); or (ii) refer the Dispute to an independent expert pursuant to Article 18.3 for determination of the value of its entire Participating Interest (in which case each Acquiring Party's proportionate share of the value determined by such expert shall be deemed the "**Buy-Out Price**" with respect to each such Acquiring Party).If the Defaulting Party fails to so notify the Acquiring Parties, then the Defaulting Party shall be deemed to have accepted, with respect to each Acquiring Party, such Acquiring Party's proportionate share of the value proposed by such Acquiring Party as the Buy-Out Price. If the valuation of the Defaulting Party's Participating Interest is referred to an expert, such expert shall determine the Buy-Out Price which shall be deemed to be equal to the fair market value of the Defaulting Party's entire Participating Interest, less the following:

(a) The Total Amount in Default;

(b) All costs, including the costs of the expert, to obtain such valuation; and

(c) ten (10%) of the fair market value of the Defaulting Party's Participating Interest, or if the 10% discount is determined to be a penalty, and therefore unenforceable, such lesser amount that is not considered to be a penalty provided such discount is not less than five (5%).

8.4.F.3 The Buy-Out Price shall be paid to the Defaulting Party in four (4) instalments, each equal to 25% of the Buy-Out Price as follows:

(a) The first installment shall be due and payable to the Defaulting Party within 30 Days after the date on which the Defaulting Party's Participating Interest is effectively assigned to the Acquiring Parties (the "**Assignment Date**");

(b) The second installment shall be due and payable to the Defaulting Party within 90 Days after the Assignment Date;

(c) The third installment shall be due and payable to the Defaulting Party within 180 Days after the Assignment Date; and

(d) The fourth installment shall be due and payable to the Defaulting Party within 365 Days after the Assignment Date.

8.4.F.4 On the Assignment Date the Total Amount in Default shall be deemed to have been satisfied, and if the assignment under Article 8.4.F was to fewer than all of the non-defaulting Parties, the Acquiring Parties in proportion to their proportionate share of the Buy-Out Price shall pay to each non-defaulting Party that was not an Acquiring Party the portion of the Total Amount in Default owed to such non-defaulting Party.

8.4.G In addition to the other remedies available to the non-defaulting Parties under this Article 8 and any other rights available to each non-defaulting Party to recover its portion of the Total Amount in Default, if a Defaulting Party fails to remedy its default within thirty (30) Days of the Default Notice, the non-Defaulting Parties may elect to enforce a mortgage and security interest on the Defaulting Party's Participating Interest as set forth below, subject to the Contract and the Laws.

8.4.G.1 Each Party grants to each of the other Parties, in pro rata shares based on their relative Participating Interests, a mortgage and security interest on its Participating Interest, whether now owned or later acquired, together with all products and proceeds derived from that Participating Interest (collectively, the "**Collateral**") as security for:

(a) The payment of all amounts owing by such Party (including interest and costs of collection) under this Agreement; and

(b) Any Security that such Party is required to provide under the Contract.

8.4.G.2 Should a Defaulting Party fail to remedy its default by the thirtieth (30^{th}) Day after the date of the Default Notice, then, each non-defaulting Party shall have the option, exercisable at any time afterwards during the Default Period, to foreclose its mortgage and security interest against its pro rata share of the Collateral by any means permitted under the Contract and the Laws and to sell all or any part of that Collateral in public or private sale after providing the Defaulting Party and other creditors with any notice required by the Contract or the Laws, and subject to the provisions of Article 12. Except as may be prohibited by the Contract or the Laws, the non-defaulting Party that forecloses its mortgage and security interest shall be entitled to become the purchaser of the Collateral sold and shall have the right to credit toward the purchase price the amount to which it is entitled under Article 8.4. Any deficiency in the amounts received by the foreclosing Party shall remain a debt due by the Defaulting Party. The foreclosure of mortgages and security interests by one non-defaulting Party shall neither affect the amounts owed by the Defaulting Party to the other non-defaulting Parties nor in any way limit the rights or remedies available to them. Each Party agrees that, should it become a Defaulting Party, it waives the benefit of any Appraisal Operation, valuation, stay, extension or redemption law and any other debtor protection law that otherwise could be invoked to prevent or hinder the enforcement of the mortgage and security interest granted above.

8.4.G.3 Each Party agrees to sign such memoranda, financing statements and other documents, and make such filings and registrations, as may be reasonably necessary to perfect, validate and provide notice of the mortgages and security interests granted by this Article 8.4.G.

8.4.H The Defaulting Party shall promptly join in such actions as may be necessary or desirable to obtain any Government approvals required regarding such proposed withdrawal and assignment. The non-defaulting Parties shall use reasonable endeavors to assist the Defaulting Party in obtaining such approvals. Any penalties, damages, losses, costs (including reasonable legal costs and attorneys' fees) and liabilities incurred by the Parties in connection with such proposed withdrawal and assignment shall be borne by the Defaulting Party. If the Government does not approve the Defaulting Party's proposed withdrawal and assignment, then the non-defaulting Parties (excluding any non-defaulting Party that has given notice that it refuses to accept such proposed assignment) shall have the right to retract the notice of proposed withdrawal and assignment by notice to all Parties. The acceptance by a non-defaulting Party of any portion of a Defaulting Party's

Participating Interest shall not limit any rights or remedies that such non-defaulting Party has to recover any remaining balance plus interest owing under this Agreement by the Defaulting Party. For purposes of Article 8.4.E or 8.4.F, as elected, the Defaulting Party shall, without delay after any request from the non-defaulting Parties, do any act required to be done by the Laws and any other applicable laws in order to render the sale of its Entitlement and/or assignment of its Participating Interest legally valid, including obtaining all necessary governmental consents and approvals, and shall sign any document and take such other actions as may be necessary in order to effect a prompt and valid sale of its Entitlement and/or assignment of its Participating Interest. The Defaulting Party shall promptly remove any Encumbrances which may exist on the date of sale of its Entitlement and/or assignment of its Participating Interests (other than any existing Encumbrances that affect all Parties in proportion to their Participating Interests).If all Government approvals are not timely obtained, the Defaulting Party shall to the extent allowed under the Contract and applicable Laws hold its Participating Interest in trust or escrow arrangement for the benefit of the non-defaulting Parties who are entitled to receive it. Each Party appoints each other Party its true and lawful attorney to sign such instruments and make such filings and applications as may be necessary to make such sale or assignment legally effective and to obtain any necessary consents of the Government. Actions under this power of attorney may be taken by any Party individually without the joinder of the others. This power of attorney is irrevocable for the term of this Agreement and is coupled with an interest. If requested, each Party shall execute a form prescribed by the Operating Committee setting forth this power of attorney in more detail.

8.4.I The non-defaulting Parties shall be entitled to recover from the Defaulting Party all reasonable attorneys' fees and all other reasonable costs sustained in the collection of amounts owing by the Defaulting Party.

8.4.J The rights and remedies granted to the non-defaulting Parties in this Article 8 shall be cumulative, not exclusive, and shall be in addition to any other rights and remedies that may be available to the non-defaulting Parties, whether at law, in equity or otherwise. Each right and remedy available to the non-defaulting Parties may be exercised from time to time and so often and in such order as may be considered expedient by the non-defaulting Parties in their sole discretion.

8.5 Survival

The obligations of the Defaulting Party and the rights of the non-defaulting Parties shall survive the surrender of the Contract, Decommissioning, and termination of this Agreement.

8.6 No Right of Set Off

Each Party acknowledges and accepts that a fundamental principle of this Agreement is that each Party pays its Participating Interest share of all amounts due under this Agreement as and when required. Accordingly, any Party that becomes a Defaulting Party undertakes that, in respect of either any exercise by the non-defaulting Parties of any rights under or the application of any of the provisions of this Article 8, such Party hereby waives any right to raise by way of set off or invoke as a defense, whether in law or equity, any failure by any other Party to pay amounts due and owing under this Agreement or any alleged claim that such Party may have against Operator or any Non-Operator, whether such claim arises under this Agreement or otherwise. Each Party further agrees that the nature and the amount of the remedies granted to the non-defaulting Parties are reasonable and appropriate in the circumstances.

ARTICLE 9 DISPOSITION OF PRODUCTION

9.1 Right and Obligation to Take in Kind

Except as otherwise provided in this Article 9 or in Article 8, each Party shall have the right and obligation to own, take in kind and separately dispose of its Entitlement.

9.2 Disposition of Crude Oil

The Parties shall in good faith, and not fewer than six (6) Months before the anticipated first delivery of Crude Oil, as promptly notified by Operator, negotiate and endeavor to conclude the terms of a lifting agreement to cover the offtake of Crude Oil produced under the Contract.

9.3 Disposition of Natural Gas

9.3.A The Parties recognize that if Natural Gas is discovered it may be necessary for the Parties to enter into special arrangements for the disposal of the Natural Gas, which special arrangements are consistent with the Development Plan and subject to the terms of the Contract.

9.3.B The Parties shall agree amongst themselves, six (6) Calendar Months prior to the commencement of production of Natural Gas, appropriate procedures for the offtake of their share of the Natural Gas. Such procedures shall include provisions regarding field production forecasts and reporting, the Parties' nominations, offtake tolerance and specifications of Natural Gas.

9.4 Production Forecasts

9.4.A No later than the first Day of the Calendar Month preceding the Calendar Month in which Development and Production Operations are scheduled to begin, and afterwards on the first Day of each Calendar Quarter, the Operator shall provide the Parties with a Production Forecast. A "**Production Forecast**" shall consist of the estimated average daily rate of production of Hydrocarbons of each type and grade for each Calendar Month during each of the next succeeding two Contract Years and, if there are multiple Delivery Points, the estimated quantities to be delivered to each Delivery Point.

9.4.B If at any time the Operator becomes aware that a change has taken place or will take place that in Operator's judgment has caused or will cause a variance of ten percent (10%) or more from any figure appearing in the latest Production Forecast, the Operator shall promptly notify each Party of the following:

9.4.B.1 the reason for such variance, its estimated magnitude, the date and time the change is expected to begin, and the estimated duration thereof; and

9.4.B.2 the Operator's revised Production Forecast for the period covered by the current Production Forecast based on such variance, along with all other requirements for a Production Forecast under Article 9.4.A.

9.4.C The production forecast delivered under Article 6.3.A.3 and the Production Forecasts under this Article are only estimates. Actual production may vary based upon reservoir performance, variations in well deliverability and the composition of the produced substances, actions of the Government and other third parties, maintenance and repair obligations and Force Majeure, among other factors.

9.5 Myanmar Domestic Oil and Natural Gas Requirements

Any Natural Gas and Crude Oil to be supplied by Contractor (as defined in and pursuant to the Contract) pursuant to Section 14 of the Contract shall be supplied by the Parties in proportion to their respective Participating Interests.

ARTICLE 10 DECOMMISSIONING AND ABANDONMENT

10.1 Decommissioning of Joint Facilities

10.1.A A decision to Decommission any facilities and/or equipment, other than wells, that were acquired for or contributed to the Joint Account, shall require the approval of the Operating Committee. In connection with such proposal Operator shall give notice to all Parties listing such facilities and equipment together with Operator's latest estimate of Decommissioning Costs.

10.1.B If any Party fails to reply within the period prescribed in Article 5.12.A.1 or Article 5.12.A.2 whichever applies, after delivery of notice of Operator's proposal to Decommission such facilities and/or equipment, such Party shall be deemed to have consented to the proposed Decommissioning.

10.1.C If the Operating Committee votes to Decommission such facilities and/or equipment, then subject to the Contract and applicable Laws, each Party shall have an option to take over as an Exclusive Operation any or all of such facilities and/or equipment located or held for use in the Contract Area and any Security for Decommissioning Costs, which option shall be exercisable until the Decommissioning Response Deadline. If one or more Parties elect to take over any such facilities, such equipment, and/or such Security, each such Party so electing shall in the proportion that its Participating Interest bears to the total of the Participating Interests of the other Parties so electing: (i)assume responsibility for all Decommissioning Costs for the facilities and/or equipment that is taken over and indemnify the other Parties and the Operator (in its role as such) from all damages, losses, costs (including reasonable legal costs and attorneys' fees), and liabilities associated with the continued operation and Decommissioning of such facilities and/or equipment; and (ii) provide Security for the Decommissioning Costs (as reasonably required by the other Parties), calculated as of the date of transfer to such Parties, which Security may not be released before completion of Decommissioning without the written consent of the other Parties.

10.1.D All rights to facilities and/or equipment transferred under Article 10.1.C are transferred on an "as is" basis without warranties expressed or implied, including warranties as to merchantability, fitness for a particular purpose, conformity to models or samples of materials, use, maintenance, condition, capacity or capability. If any such facilities and/or equipment are transferred to one or more Parties under this Article 10.1, rights to use data and information concerning such facilities and/or equipment shall also be transferred to such Parties. The transfer of such rights is subject to the terms of the Contract and the Laws and is without prejudice to any rights of the Government concerning such data and information under the Contract or the Laws.

10.2 Abandonment of Wells Drilled as Joint Operations

10.2.A A decision to plug and abandon any well that was drilled as a Joint Operation shall require the approval of the Operating Committee.

10.2.B If any Party fails to reply within the period prescribed in Article 5.12.A.1 or Article 5.12.A.2, whichever applies, after delivery of notice of Operator's proposal to plug and abandon such well, such Party shall be deemed to have consented to the proposed abandonment.

10.2.C If the Operating Committee approves a decision to plug and abandon an Exploration Well or Appraisal Well, subject to the Laws, any Party voting against such decision may propose (within the time periods allowed by Article 5.13.A) to conduct an alternate Exclusive Operation in the wellbore. If no Exclusive Operation is timely proposed, or if an Exclusive Operation is timely proposed but is not commenced within the applicable time periods under Article 7.2, such well shall be plugged and abandoned.

10.2.D Any well plugged and abandoned under this Agreement shall be plugged and abandoned under the Laws and at the cost and risk of the Parties who participated in the cost of drilling such well.

10.3 Decommissioning and Abandonment of Exclusive Operations

This Article 10 shall apply mutatis mutandis to the Decommissioning of facilities and/or equipment acquired for an Exclusive Operation and abandonment of an Exclusive Well or any well in which an Exclusive Operation has been conducted (in which event all Parties having the right to conduct further operations in such well shall be notified and have the opportunity to conduct Exclusive Operations in the well under this Article 10).

10.4 Provision for and Conduct of Decommissioning and Abandonment

If under the Contract or the Laws, the Parties are or become obliged to pay or contribute to the cost of ceasing operations, then during preparation of a Development Plan, the Parties shall make a preliminary plan for the Decommissioning of facilities and/or equipment and the abandonment of wells, shall under Article 6.5 furnish Security for Decommissioning, and shall conduct the Decommissioning of facilities and/or equipment and the abandonment of wells and the Contract Area in accordance with the Contract and the Laws.

ARTICLE 11 SURRENDER, EXTENSIONS AND RENEWALS

11.1 Surrender

11.1.A If the Contract requires the Parties to surrender any portion of the Contract Area, Operator shall advise the Operating Committee of such requirement at least one hundred and twenty (120) Days in advance of the earlier of the date for filing irrevocable notice of such surrender or the date of such surrender. Before the end of such period, the Operating Committee shall determine under Article 5 the size and shape of the surrendered area, consistent with the requirements of the Contract. If a sufficient vote of the Operating Committee cannot be attained, then the proposal supported by a simple majority of the Participating Interests shall be adopted. If no proposal attains the support of a simple majority of the Participating Interests, then the proposal receiving the largest aggregate Participating Interest vote shall be adopted. In the event of a tie, Operator shall choose among the proposals receiving the largest aggregate Participating Interest vote. The Parties shall sign any documents and take such other actions as may be necessary to effect the surrender. Each Party renounces all claims and causes of action against Operator and any other Parties on account of any area surrendered in accordance with the foregoing but against its recommendation if Hydrocarbons are later discovered under the surrendered area.

11.1.B A surrender of all or any part of the Contract Area that is not required by the Contract shall require the unanimous consent of the Parties.

11.2 Extension of the Term

11.2.A A proposal by any Party to enter into or extend the term of any Exploration Period or Development and Production Period or any phase of the Contract, or a proposal to extend the term of the Contract, shall be brought before the Operating Committee under Article 5.

11.2.B Any Party shall have the right to enter into or extend the term of any Exploration Period or Development and Production Period or any phase of the Contract or to extend the term of the Contract, regardless of the level of support in the Operating Committee. If any Party takes such action, any Party not wishing to extend shall have a right to withdraw, subject to the requirements of Article 13.

ARTICLE 12 TRANSFER OF INTEREST OR RIGHTS AND CHANGES IN CONTROL

12.1 Obligations

12.1.A Subject to the requirements of the Contract, any Transfer (except Transfers under Article 7, Article 8, Article 13 or Article 12.1.D) shall be effective only if it satisfies the terms and conditions of Article 12.2.

12.1.B If a Transfer subject to this Article or a Change in Control occurs without satisfaction (in all material respects) by the transferee or the transferring Party subject to the Change in Control, as applicable, of the requirements of this Agreement, then each other Party shall be entitled to enforce specific performance of the terms of this Article, in addition to any other remedies (including damages) to that it may be entitled. Each Party agrees that monetary damages alone would not be an adequate remedy for the breach of any Party's obligations under this Article.

12.1.C A Party subject to a Change in Control must satisfy the terms and conditions of Article 12.3.

12.1.D The Parties acknowledge and agree that:

12.1.D.1 after the Effective Date, TRGM intends to seek, and one or more of the other Parties (or their parent companies) may also seek, a listing of its shares on a recognised stock exchange by conducting an initial public offer or 'reverse takeover' (or similar) (the "**Listing Transaction**"); and

12.1.D.2 this Article 12 shall not apply to any Listing Transaction by a Party or its parent company.

12.2 Transfer

12.2.A Except in the case of a Party transferring all of its Participating Interest or in the case of a Transfer by a Party to MOGE upon the exercise by MOGE of its rights under Section 19.1 of the Contract, no Transfer shall be made by any Party that results in the transferor or the transferee holding a Participating Interest of less than five (5%) or any interest other than a Participating Interest in the Contract and this Agreement.

12.2.B Subject to the terms of Articles 4.9 and 4.10, the Party serving as Operator shall remain Operator after Transfer of a portion of its Participating Interest. In the event of a Transfer of all of its Participating Interest, except to an Affiliate, the Party serving as Operator shall be deemed to have resigned as Operator, effective on the date the Transfer becomes effective under this Article 12, in which event a successor Operator shall be appointed under Article 4.11. If Operator transfers all of its Participating Interest to an Affiliate, that

Affiliate shall automatically become the successor Operator, provided that the transferring Operator shall remain liable for its Affiliate's performance of its obligations.

12.2.C Despite such Transfer, both the transferee and the transferring Party shall be liable to the other Parties for the transferring Party's Participating Interest share of any obligations (financial or otherwise) that have vested, matured, or accrued under the Contract or this Agreement before such Transfer. Such obligations, shall include any proposed expenditure approved by the Operating Committee before the transferring Party notifying the other Parties of its proposed Transfer and shall include costs of plugging and abandoning wells or portions of wells and Decommissioning facilities in which the transferring Party participated (or was required to bear a share of the costs pursuant to this sentence) to the extent such costs are payable by the Parties under the Contract.

12.2.D A transferee has no rights in the Contract or this Agreement (except any notice and cure rights or similar rights that may be provided to a Lien Holder (as defined in Article 12.2.E) by separate instrument signed by all Parties) unless and until:

12.2.D.1 such transferee expressly undertakes in an instrument reasonably satisfactory to the other Parties to perform the obligations of the transferor under the Contract and this Agreement to the extent of the Participating Interest being transferred and obtains any necessary Government approval for the Transfer and furnishes any guarantees required by the Government or the Contract on or before the applicable deadlines; and

12.2.D.2 in the case of a Transfer to a transferee other than an Affiliate, each Party has consented in writing to such Transfer, which consent shall be denied only if the transferee fails to establish to the reasonable satisfaction of each Party its financial capability, including enforceability of remedies under this Agreement against ,its technical capability to contribute to the planning and conduct of joint operations, such transferee, to perform its payment obligations under the Contract and this Agreement, and its ability to comply with the provisions of Article 20.1.

12.2.D.3 in the case of a Transfer to an Affiliate, each Party has consented in writing to such Transfer, which consent shall be denied only if the transferee fails to establish to the reasonable satisfaction of each Party its ability to comply with the provisions of Article 20.1, and the transferring Party agrees in an instrument reasonably satisfactory to the other Parties to remain liable for its Affiliate's performance of its obligations,

provided that this Article 12.2.D shall not apply in respect of a transfer by TRGM to CFG of its Participating Interest in relation to a Conversion (as defined in and pursuant to the Free Carried Interest Agreement).

12.2.E Nothing contained in this Article 12 shall prevent a Party from Encumbering all or any undivided portion of its Participating Interest to a third party (a "Lien Holder") as security relating to financing, provided that:

12.2.E.1 Such Party shall remain liable for all obligations relating to such interest;

12.2.E.2 The Encumbrance shall be subject to any necessary approval of the Government and be expressly subordinated to the rights of the other Parties under this Agreement;

12.2.E.3 Such Party shall ensure that any Encumbrance shall be expressed to be without prejudice to the provisions of this Agreement.

12.2.F Any Transfer (other than a Transfer to an Affiliate, the granting of an Encumbrance as provided in Article 12.2.E, or the transfer by TRGM to CFG of its Participating Interest in relation to a Conversion (as defined in and pursuant to the Free Carried Interest Agreement) shall be subject to the following procedure.

12.2.F.1 If a Party wishes to transfer any part or all of its Participating Interest, before the transferor enters into a written agreement providing for such a Transfer (whether or not such agreement is binding) the transferor shall send the other Parties notice of its intention and invite them to submit offers for the Participating Interest subject to the Transfer. The other Parties shall have thirty (30) Days from the date of such notification to deliver a counter-notification with a binding offer under Article 12.2.F.3. If the transferor notifies the offering Party or Parties that the binding offer presents an acceptable basis for negotiating a Transfer agreement, the transferor and that offering Party or Parties shall have the next sixty (60) Days in which to negotiate in good faith and execute the terms and conditions of a mutually acceptable Transfer agreement. If the transferor does not find that any Party's offer presents an acceptable basis for negotiating a Transfer agreement, or if the above sixty (60) Days elapse and the transferor in its sole discretion believes that a fully negotiated agreement based on the offer deemed acceptable by the transferor with all offering Parties is not imminent, the transferor shall be entitled for a period of one hundred eighty (180) Days from the expiration of the thirty (30) Day offer period or the sixty (60) Day negotiation period, respectively, plus such additional period as may be necessary to secure governmental approvals, to Transfer all or such portion of its Participating Interest to a third party, subject to the obligations set forth in this Article 12, provided that the terms and conditions of any such Transfer must be more favourable to the transferor than the best terms and conditions offered by any Party.

12.2.F.2 If more than one Party counter-notifies the transferor that it intends to acquire the Participating Interest subject to the proposed Transfer, then each such Party shall acquire a proportion of the Participating Interest to be transferred equal to the ratio of its own Participating Interest to the total Participating Interests of all the counter-notifying Parties, unless the counter-notifying Parties otherwise agree.

12.2.F.3 All Parties desiring to give such a counter-notice shall meet to formulate a joint offer. Each such Party shall make known to the other Parties the highest price or value that it is willing to offer to the transferor. The proposal with the highest price or value shall be offered to the transferor as the joint proposal of the Parties still willing to participate in such offer under Article 12.2.F.1.

12.3 Change in Control

12.3.A A Party subject to a Change in Control shall obtain any necessary Government approval with respect to the Change in Control and furnish any replacement Security required by the Government or the Contract on or before the applicable deadlines.

12.3.B Any Change in Control of a Party, other than one that results in ongoing Control by an Affiliate, shall be subject to the following procedure.

12.3.B.1 Once the final terms and conditions of a Change in Control have been fully negotiated, the Acquired Party shall disclose all such final terms and conditions as are relevant to the acquisition of such Party's Participating Interest and the determination of the Cash Value of that Participating Interest in a notice to the other Parties, which notice shall be accompanied by a copy of all instruments or relevant portions of instruments establishing such terms and conditions. Each other Party shall have the right to acquire the Acquired Party's Participating Interest on the terms and conditions described in Article 12.3.B.3 if, within thirty (30) Days of the Acquired Party's notice, such Party delivers to all other Parties a counter-notification that it accepts such terms and conditions without reservations or conditions (subject to Articles 12.3.B.3 and 12.3.B.4, where applicable). If no Party delivers such counter-notification, the Change in Control may proceed without further notice, subject to the other provisions of this Article 12, under terms and conditions no more favorable to the Acquirer than those set forth in the notice to the Parties, provided that the Change in Control shall be concluded within one hundred eighty (180) Days from the date of the notice plus such additional period as may be required to secure governmental approvals. No Party shall have a right under this Article 12.3.B to acquire any asset other than a Participating Interest, nor may any Party be required to acquire any asset other than a Participating Interest, regardless of whether other properties are subject to the Change in Control.

12.3.B.2 If more than one Party counter-notifies that it intends to acquire the Participating Interest subject to the proposed Change in Control, then each such Party shall acquire a proportion of that Participating Interest equal to the ratio of its own Participating Interest to the total Participating Interests of all the counter-notifying Parties, unless the counter-notifying Parties otherwise agree.

12.3.B.3 The Acquired Party shall include in its notification to the other Parties a statement of the Cash Value of the Participating Interest subject to the proposed Change in Control, and each other Party shall have a right to acquire such Participating Interest for the Cash Value, on the final terms and conditions negotiated with the proposed Acquirer that are relevant to the acquisition of a Participating Interest for cash. No Party may acquire the Acquired Party's Participating Interest under this Article 12.3.B unless and until completion of the Change in Control. If for any reason the Change in Control agreement terminates without completion, the other Parties' rights to acquire the Participating Interest subject to the proposed Change in Control shall also terminate.

12.3.B.4 For purposes of Article 12.3.B.3, the Cash Value proposed by the Acquired Party in its notice shall be conclusively deemed correct unless any Party (each a "**Disagreeing Party**") gives notice to the Acquired Party with a copy to the other Parties within ten (10) Days of receipt of the Acquired Party's notice stating that it does not agree with the Acquired Party's statement of the Cash Value, stating the Cash Value that the Disagreeing Party believes is correct, and providing any

supporting information that the Disagreeing Party believes is helpful. In such event, the Acquired Party and the Disagreeing Parties shall have fifteen (15) Days in which to attempt to negotiate an agreement on the applicable Cash Value. If no agreement has been reached by the end of such fifteen (15) Day period, either the Acquired Party or any Disagreeing Party shall be entitled to refer the matter to an independent expert as provided in Article 18.3 for determination of the Cash Value.

12.3.B.5 If the determination of Cash Value is referred to an independent expert, and the value submitted by the Acquired Party is no more than five percent (5%) above the Cash Value determined by the independent expert, the Acquired Party's value shall be used for the Cash Value and the Disagreeing Parties shall pay all costs of the expert. If the value submitted by the Acquired Party is more than five percent (5%) above the Cash Value determined by the independent expert, the independent expert's value shall be used for the Cash Value and the Acquired Party shall pay all costs of the expert. Subject to the independent expert's value being final and binding under Article 18.3, the Cash Value determined by the procedure shall be final and binding on all Parties.

12.3.B.6 Once the Cash Value is determined under Article 12.3.B.4, Operator shall provide notice of such Cash Value to all Parties, and

12.3.B.7 If the Cash Value that was submitted by the acquired Party to the independent expert is more than five percent (5%) above the Cash Value determined by the independent expert, the acquired Party and its Affiliates may elect to terminate the proposed Change in Control by notice to all other Parties within five (5) Days after notice to the Parties of the final Cash Value. Similarly, if the Cash Value that was determined by the independent expert is more than five percent (5%) above the Cash Value submitted to the independent expert by a Disagreeing Party (or, in the case of a Party that is not a Disagreeing Party, is more than five percent (5%) above the Cash Value originally proposed by the Acquirer), such Party may elect to revoke its notice of intention to purchase the acquired Party's Participating Interest under Article 12.3.B.1. If the acquired Party and its Affiliates do not properly terminate the proposed Change in Control and one or more Parties that provided notices of their intention to purchase the acquired Party's Participating Interest under Article 12.3.B.1 have not properly revoked their notices of such intention, then, subject to the Contract, the acquired Party shall be obligated to sell and such Parties shall be obligated to buy the Participating Interest at the Cash Value as determined under Article 12.3.B.5. If all Parties which provided notice of their intention to purchase the acquired Party's Participating Interest under Article 12.3.B.1 properly revoke their notices of such intention, the Change in Control may proceed without further notice, under terms and conditions no more favorable to the Acquirer than those in effect at the time of the determination, provided that the Change in Control shall be concluded within one hundred eighty (180) Days from the date of the determination plus such additional period as may be required to secure governmental approvals.

ARTICLE 13 WITHDRAWAL FROM AGREEMENT

13.1 Right of Withdrawal

13.1.A Subject to this Article 13 and the Contract, any Party not in default may at its option withdraw from this Agreement and the Contract by giving notice to all other Parties stating

its decision to withdraw. Such notice shall be unconditional and irrevocable when given, except as may be provided in Article 13.7.

13.1.B The effective date of withdrawal for a withdrawing Party shall be the end of the Calendar Month after the Calendar Month in which the notice of withdrawal is given, provided that if all Parties elect to withdraw, the effective date of withdrawal for each Party shall be the date determined by Article 13.9.

13.2 Partial or Complete Withdrawal

13.2.A Within thirty (30) Days of receipt of each withdrawing Party's notification, each of the other Parties may also give notice that it desires to withdraw from this Agreement and the Contract. If all Parties give notice of withdrawal, the Parties shall proceed to abandon the Contract Area and terminate the Contract and this Agreement. If fewer than all of the Parties give such notice of withdrawal, then the withdrawing Parties shall take all steps to withdraw from the Contract and this Agreement on the earliest possible date and sign and deliver all necessary instruments and documents to assign their Participating Interest to the Parties that are not withdrawing, without any compensation whatsoever, under Article 13.6.

13.2.B Any Party withdrawing under Article 11.2 or under this Article 13 shall withdraw from the entirety of the Contract Area, including all Development and Production Areas and all Discoveries made before such withdrawal, and thus abandon to the other Parties not joining in its withdrawal all its rights to Cost Hydrocarbons and Profit Hydrocarbons generated by operations after the effective date of such withdrawal and all rights in associated Joint Property.

13.3 Rights of a Withdrawing Party

A withdrawing Party shall have the right to receive its Entitlement produced through the effective date of its withdrawal. The withdrawing Party shall be entitled to receive all information to which such Party is otherwise entitled under this Agreement until the effective date of its withdrawal. After giving its notification of withdrawal, a Party shall not be entitled to vote on any matters coming before the Operating Committee, other than matters for which such Party has financial responsibility.

In addition, if in its notice of withdrawal a withdrawing Party represents that its withdrawal is due solely to such Party's belief that another Party (specifically named in the notice) has breached such other Party's undertakings under Article 20.2.A, and if such other Party becomes obligated to indemnify under Article 20.2.C, then despite its withdrawal the withdrawing Party shall be entitled to be indemnified under Article 20.1.C and the withdrawing Party's damages shall be deemed to include the amount of its investment under the Contract and this Agreement that was lost as a result of its withdrawal.

13.4 Obligations and Liabilities of a Withdrawing Party

13.4.A A withdrawing Party shall, after its notification of withdrawal, remain liable only for its share of the following:

13.4.A.1 Costs of Joint Operations, and costs of Exclusive Operations in which such withdrawing Party has agreed to participate, that were approved by the Operating Committee or Consenting Parties as part of a Work Program and Budget (including a multi-year Work Program and Budget under Article 6.1.E) or AFE before such Party's notification of withdrawal, regardless of when they are incurred;

13.4.A.2 Any Minimum Work Obligations for the current period or phase of the Contract, and for any subsequent period or phase that has been approved under Article 11.2 and with respect to which such Party has failed to timely withdraw under Article 13.4.B;

13.4.A.3 Expenditures described in Articles 4.2.B.14 and 13.5 related to an emergency occurring before the effective date of a Party's withdrawal, regardless of when such expenditures are incurred;

13.4.A.4 All other obligations and liabilities of the Parties or Consenting Parties, as applicable, concerning acts or omissions under this Agreement before the effective date of such Party's withdrawal for which such Party would have been liable, had it not withdrawn from this Agreement; and

13.4.A.5 In the case of a partially withdrawing Party, any costs and liabilities concerning Development and Production Areas, Commercial Discoveries and Discoveries from which it has not withdrawn.

13.4.A.6 The obligations and liabilities for which a withdrawing Party remains liable shall specifically include its share of any costs of plugging and abandoning wells or portions of wells in which it participated (or was required to bear a share of the costs under Article 13.4.A.1) to the extent such costs of plugging and abandoning are payable by the Parties under the Contract. Any Encumbrances that were placed on the withdrawing Party's Participating Interest before such Party's withdrawal shall be fully satisfied or released, at the withdrawing Party's expense, before its withdrawal. A Party's withdrawal shall not relieve it from liability to the non-withdrawing Parties concerning any obligations or liabilities attributable to the withdrawing Party under this Article 13 merely because they are not identified or identifiable at the time of withdrawal.

13.4.B Despite the foregoing, a Party shall not be liable for any operations or expenditures it voted against (other than operations and expenditures described in 13.4.A.2 or Article 13.4.A.3) if it sends notification of its withdrawal within five (5) Days (or within twenty-four (24) hours for Urgent Operational Matters) of the Operating Committee vote approving such operation or expenditure. Likewise, a Party voting against voluntarily entering into, or extending, an Exploration Period or Development and Production Period or any phase of the Contract, or voting against voluntarily extending the Contract shall not be liable for the Minimum Work Obligations associated therewith provided that it sends notification of its withdrawal within thirty (30) Days of such vote under Article 11.2.

13.5 Emergency

If a well goes out of control or a fire, blow out, sabotage or other emergency occurs before the effective date of a Party's withdrawal, the withdrawing Party shall remain liable for its Participating Interest share of the costs of such emergency, regardless of when they are incurred.

13.6 Assignment

A withdrawing Party shall assign its Participating Interest free of cost to each of the non-withdrawing Parties in the proportion that each of their Participating Interests (before the withdrawal) bears to the total Participating Interests of all the non-withdrawing Parties (before the withdrawal), unless the non-withdrawing Parties agree otherwise. The costs associated with the withdrawal and assignments shall be borne by the withdrawing Party.

13.7 Approvals

A withdrawing Party shall promptly join in such actions as may be necessary or desirable to obtain any Government approvals required in connection with the withdrawal and assignments. The non-withdrawing Parties shall use reasonable endeavors to assist the withdrawing Party in obtaining such approvals. If the Government does not approve a Party's withdrawal and assignment to the other Parties, then the withdrawing Party shall at its option either (1) retract its notice of withdrawal by notice to the other Parties and remain a Party as if such notice of withdrawal had never been sent, or (2) to the extent allowed under the Contract and Laws hold its Participating Interest in trust for the exclusive benefit of the non-withdrawing Parties with the right to be reimbursed by the non-withdrawing Parties for any subsequent costs and liabilities incurred by it for which it would not have been liable, had it successfully withdrawn. Any penalties or costs incurred by the Parties in connection with such withdrawal shall be borne by the withdrawing Party.

13.8 Security

A Party withdrawing from this Agreement and the Contract under this Article 13 shall provide Security satisfactory to the other Parties to satisfy any obligations or liabilities for which the withdrawing Party remains liable under Article 13.4, but which become due after its withdrawal, including Security to cover the costs of Decommissioning, if applicable.

13.9 Withdrawal or Abandonment by All Parties

If all Parties decide to withdraw, the Parties agree that they shall be bound by the terms and conditions of this Agreement for so long as may be necessary to wind up the affairs of the Parties with the Government, to satisfy any requirements of the Contract and the Laws, and to facilitate the sale, disposition or abandonment of property or interests held by the Joint Account, all under Article 2.

ARTICLE 14 RELATIONSHIP OF PARTIES AND TAX

14.1 Relationship of Parties

The rights, duties, obligations, and liabilities of the Parties under this Agreement shall be individual, not joint or collective. It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create, a mining or other partnership, joint venture or association or (except as explicitly provided in this Agreement) a trust. This Agreement shall not be deemed or construed to authorize any Party to act as an agent, servant or employee for any other Party for any purpose whatsoever except as explicitly set forth in this Agreement. In their relations with each other under this Agreement, the Parties shall not be considered fiduciaries except as expressly provided in this Agreement.

14.2 Tax

Each Party shall be responsible for reporting and discharging its own tax measured by the profit or income of the Party and the satisfaction of such Party's share of all contract obligations under the Contract and under this Agreement. Each Party shall protect, defend, and indemnify each other Party from any damage, loss, cost or liability arising from the indemnifying Party's failure to report and discharge such taxes or satisfy such obligations. The Parties intend that all income and all tax benefits (including deductions, depreciation, credits and capitalization) regarding the expenditures made by the Parties under this Agreement will be allocated by the Government tax authorities to the Parties based on the share of each tax item actually received or borne by each Party. If such allocation is not accomplished due to the application of the Laws or other Government action, the Parties shall attempt to adopt mutually agreeable arrangements that will allow the Parties to

achieve the financial results intended. Operator shall provide each Party, in a timely manner and at such Party's sole expense, with such information concerning Joint Operations as such Party may reasonably request for preparation of its tax returns or responding to any audit or other tax proceeding.

ARTICLE 15 VENTURE INFORMATION CONFIDENTIALITY INTELLECTUAL PROPERTY

15.1 JV Information

15.1.A Each Party may use all information it receives under Article 4.4.A (the "**JV Information**") without the approval of any other Party, subject to any applicable restrictions and limitations set forth in this Article 15, this Agreement and the Contract. For purposes of this Article 15, the right to use shall include the right to copy and prepare derivative works.

15.1.B Each Party may, subject to any applicable restrictions and limitations set forth in the Contract, extend the right to use JV Information to each of its Affiliates that are obligated to terms not less restrictive that this Article 15.

15.1.C The acquisition or development of JV Information under terms other than as specified in this Article 15 shall require the approval of the Operating Committee. The request for approval submitted by a Party shall be accompanied by a description and summary of the use and disclosure restrictions that would be applicable to the JV Information, and any such Party will be obligated to use all reasonable efforts to arrange for rights to use which are not less restrictive than specified in this Article 15.

15.1.D All JV Information received by a Party under this Agreement is received on an "as is" basis without warranties, express or implied, of any kind. Any use of such JV Information by a Party shall be at such Party's sole risk.

15.2 Confidentiality

15.2.A Subject to the provisions of the Contract and this Article 15, the Parties agree that all information in relation with Joint Operations or Exclusive Operations shall be considered confidential and shall be kept confidential, and shall not be disclosed during the term of the Contract and for a period of five (5) years afterwards to any person or entity not a Party to this Agreement, except:

15.2.A.1 To an Affiliate under Article 15.1.B;

15.2.A.2 To a governmental agency or other entity when required by the Contract;

15.2.A.3 To the extent such information must be furnished in compliance with the applicable law or regulations, or pursuant to any legal proceedings or because of any order of any court binding upon a Party;

15.2.A.4 To prospective or actual attorneys engaged by any Party where disclosure of such information is essential to such attorney's work for such Party;

15.2.A.5 To prospective or actual contractors and consultants engaged by any Party where disclosure of such information is essential to such contractor's or consultant's work for such Party;

15.2.A.6 To a bona fide prospective transferee of a Party's Participating Interest to the extent appropriate in order to allow the assessment of such Participating Interest (including an entity with whom a Party and/or its Affiliates are

conducting bona fide negotiations directed toward an initial public offer, 'reverse takeover', merger, consolidation, or the sale of a majority of its or an Affiliate's shares to a prospective transferee);

15.2.A.7 To a bank or other financial institution to the extent appropriate to a Party arranging for funding;

15.2.A.8 To the extent such information must be disclosed pursuant to any rules or requirements of any government or stock exchange having jurisdiction over such Party, or its Affiliates; provided that if any Party desires to disclose information in an annual or periodic report to its or its Affiliates' shareholders and to the public and if such disclosure is not required under any rules or requirements of any government or stock exchange, then such Party shall comply with Article 20.3;

15.2.A.9 To its respective employees for the purposes of Joint Operations or Exclusive Operations, as applicable, subject to each Party taking customary precautions to ensure such information is kept confidential;

15.2.A.10 In the case of a Transfer or proposed Transfer contemplated by Article 12, to the advisers or proposed advisers of the transferor and transferee, including financial advisers, legal advisers, corporate advisers, underwriters and stock brokers;

15.2.A.11 In the case of a Transfer or proposed Transfer contemplated by Article 12, to any relevant government agency or recognised stock exchange, including the Australian Securities and Investments Commission and the Australian Securities Exchange and the 'Alternative Investment Market' of the London Stock Exchange;

15.2.A.12 In the case of a Transfer or proposed Transfer contemplated by Article 12 to any proposed investor including disclosure made pursuant to a disclosure document, path finder prospectus, investor presentation and notice of meeting; and

15.2.A.13 Any information that, through no fault of a Party, becomes a part of the public domain.

15.2.B Disclosure under Articles 15.2.A.5, 15.2.A.6, and 15.2.A.7 shall not be made unless before such disclosure the disclosing Party has obtained a written undertaking from the recipient party to keep the information strictly confidential for at least five (5) years and to use the information for the sole purpose described in Articles 15.2.A.5, 15.2.A.6, and 15.2.A.7, whichever applies, with respect to the disclosing Party.

15.2.C If a Party is required to disclose under Article 15.2.A.8, that Party shall use all reasonable endeavors to delay or withhold disclosure until the other Parties have had a reasonable opportunity to oppose such disclosure by lawful means or to seek such other protective measures as these other Parties may deem fit.

15.3 Intellectual Property

15.3.A Subject to Articles 15.3.D and 15.5, all intellectual property rights in the Venture Information shall be owned by Operator except to the extent otherwise provided in the Contract. Each Party and its Affiliates shall have a perpetual, royalty-free, irrevocable license to use, assign, and sublicense all such intellectual property rights in their own operations (including joint venture operations or a production sharing arrangement in

which such Party has an ownership or equity interest) without the approval of any other Party. If any Venture Information amounts to a patentable invention, Operator shall be entitled to seek patent protection for such invention. If Operator does not intend to seek patent protection, Operator shall offer to assign to the other Parties Operator's rights to such invention, and shall assign such rights to any requesting Party or Parties. If a license of such rights is granted to a third party other than Affiliates of a Party, the license income shall be shared among the Parties in proportion to their respective Participating Interests. The Party granting any such license shall:

15.3.A.1 Be entitled to deduct from such license income before sharing among the Parties, the granting Party's reasonable costs incurred in registering and maintaining such rights licensed;

15.3.A.2 Keep records of any license income received for any such license; and

15.3.A.3 If requested, provide each Party with a statement, certified by its statutory auditor to be correct and in accordance with this Article 15.3, regarding such income received.

15.3.B Nothing in this Agreement shall be deemed to require a Party to

15.3.B.1 Divulge proprietary technology to any of the other Parties; or

15.3.B.2 Grant a license or other rights under any intellectual property rights owned or controlled by such Party or its Affiliates to any of the other Parties.

15.3.C If a Party or an Affiliate of a Party has proprietary technology applicable to activities carried out under this Agreement that the Party or its Affiliate desires to make available on terms and conditions other than as specified in Article 15.3.A, the Party or Affiliate may, with the prior approval of the Operating Committee, make the proprietary technology available on terms to be agreed. If the proprietary technology is so made available, then any inventions, discoveries, or improvements that relate to such proprietary technology and that result from Joint Account expenditures shall belong to such Party or Affiliate. In such case, each other Party shall have a perpetual, royalty-free, irrevocable license to practice such inventions, discoveries, or improvements, but only in connection with Joint Operations.

15.3.D Subject to Article 4.6.B, all costs (including reasonable legal costs and attorneys' fees) of defending, settling, or otherwise handling any claim that is based on the actual or alleged infringement of any intellectual property right shall be for the account of the operation from which the claim arose, whether Joint Operations or Exclusive Operations.

15.4 Continuing Obligations

Any Party ceasing to own a Participating Interest during the term of this Agreement shall nonetheless remain bound by the obligations of confidentiality in Article 15.2, and any Disputes in relation thereto shall be resolved under Article 18.2.

15.5 Trades

Operator may, with approval of the Operating Committee, make well trades and data trades for the benefit of the Parties, with any data so obtained to be furnished to all Parties who participated in the cost of the data that was traded. Operator shall cause any third party to such trade to enter into an undertaking to keep the traded data confidential.

ARTICLE 16 FORCE MAJEURE

If as a result of Force Majeure any Party is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation to pay any amounts due or to furnish Security, then the obligations of the Party giving such notice, so far as and to the extent that the obligations are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused and for such reasonable period afterwards as may be necessary for the Party to put itself in the same position that it occupied before the Force Majeure, but for no longer period. The Party claiming Force Majeure shall notify the other Parties of the Force Majeure within a reasonable time after the occurrence of the facts relied on and shall keep all Parties informed of all significant developments. Such notice shall give reasonably full particulars of the Force Majeure and also estimate the period of time that the Party will probably require to remedy the Force Majeure. The affected Party shall use all reasonable diligence to remove or overcome the Force Majeure situation as quickly as possible in an economic manner but shall not be obligated to settle any labor dispute except on terms acceptable to it, and all such disputes shall be handled within the sole discretion of the affected Party.

ARTICLE 17 NOTICES

17.1 Form of Notices

17.1.A Except as otherwise specifically provided, all notices authorized or required between the Parties by any of the provisions of this Agreement shall be in writing (in English), shall be deemed to have been properly given when addressed to the appropriate Parties at the addresses as set out below, and:

17.1.A.1 delivered in person or by a recognized international courier service maintaining records of delivery; or

17.1.A.2 transmitted by facsimile; provided that the sender can and does provide evidence of successful and complete transmission; or

17.1.A.3 transmitted by e-mail; provided that the recipient transmits a manual written acknowledgment of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt.

CFG Energy Pte. Ltd.

Attention: Songning Shen

Fax: +1 403 452 0907

Email: s.shen@canadianforesight.com

Telephone: +1 587 353 3711

TRG M15 Pte. Ltd.

Attention: Simon Trevisan

Fax: +61 8 9321 5932

Email: strevisan@transrg.com.au

Telephone: +61 8 9321 5922

Century Bright Gold Co., Ltd

Attention: U Kyaw Thura

Fax: +95 1545 010

Email: ukthura11@gmail.com

Telephone: +95 1401 480

17.1.B Oral communication does not constitute notice for purposes of this Agreement, and telephone numbers for the Parties are listed above as a matter of convenience only. With respect to facsimile and/or e-mail communication automatic delivery receipts issued without direct human authorization shall not be evidence of effective notices for purposes of this Agreement.

17.2 Delivery of Notices

A notice given under this Agreement shall be deemed delivered only when received by the Party to whom such notice is directed, and the time for such Party to deliver any notice in response to such originating notice shall run from the date the originating notice is received. "**Received**" for purposes of giving notice under this Agreement shall mean actual delivery of the notice to the address of the Party specified in Article 17.1 or to the most current address specified in a notice under Article 17.3; provided that any notice sent by facsimile or email after 5:00 p.m. on a Business Day or on a weekend or holiday at the location of the receiving Party shall be deemed given on the next following Business Day of the receiving Party.

17.3 Change of Address

Each Party shall have the right to change its address at any time and/or designate that copies of all such notices be directed to another person at another address, by giving written notice thereof to all other Parties.

ARTICLE 18 APPLICABLE LAW, DISPUTE

18.1 Applicable Law

The substantive laws of Singapore, exclusive of any conflicts of laws principles that could require the application of any other law, shall govern this Agreement for all purposes.

18.2 Dispute Resolution

18.2.A Notification. A Party who desires to submit a Dispute for resolution shall commence the Dispute resolution process by providing the other parties to the Dispute written notice of the Dispute ("**Notice of Dispute**").The Notice of Dispute shall identify the parties to the Dispute and contain a brief statement of the nature of the Dispute and the relief requested. The submission of a Notice of Dispute shall toll any applicable statutes of limitation related to the Dispute, pending the conclusion or abandonment of Dispute resolution proceedings under this Article 18.

18.2.B Negotiations. The parties to the Dispute shall seek to resolve any Dispute by negotiation between Senior Executives. A "**Senior Executive**" means any individual who has authority to negotiate the settlement of the Dispute for a Party. Within thirty (30) Days after the date of the receipt by each party to the Dispute of the Notice of Dispute (which notice shall request negotiations among Senior Executives), the Senior Executives representing the parties to the Dispute shall meet at a mutually acceptable time and place to exchange relevant information in an attempt to resolve the Dispute. If a Senior Executive intends to be accompanied at the meeting by an attorney, each other party's Senior Executive shall be given written notice of such intention at least three (3) Days in advance and may also be accompanied at the meeting by an attorney. Despite the above, any Party may initiate arbitration proceedings under Article 18.2.C concerning such Dispute within thirty (30) Days after the date of receipt of the Notice of Dispute.

18.2.C Arbitration. Any Dispute not finally resolved by alternative Dispute resolution procedures set forth in Articles 18.2.B shall be resolved through final and binding arbitration, it being

the intention of the Parties that this is a broad form arbitration agreement designed to encompass all possible Disputes, including Disputes about the arbitrability of a Dispute.

18.2.C.1 Rules. The arbitration shall be conducted under the UNCITRAL arbitration rules for the time being in force (the "**Rules**"). The arbitration shall be administered by Singapore International Arbitration Centre ("**SIAC**") in accordance with its Practice Note on UNCITRAL cases

18.2.C.2 Number of Arbitrators. The arbitration shall be conducted by three arbitrators, unless all parties to the Dispute agree to a sole arbitrator within thirty (30) Days after the commencement of the arbitration. For greater certainty, for purposes of this Article 18.2.C, the commencement of the arbitration means the date on which the claimant's request or demand for, or notice of, arbitration is received by the other parties to the Dispute.

18.2.C.3 Method of Appointment of the Arbitrators. If the arbitration is to be conducted by a sole arbitrator, then the arbitrator will be jointly selected by the parties to the Dispute within thirty (30) Days after the commencement of the arbitration.

18.2.C.4 If the arbitration is to be conducted by three arbitrators and there are only two parties to the Dispute, then each party to the Dispute shall appoint one arbitrator within thirty (30) Days of the commencement of the arbitration, and the two arbitrators so appointed shall select the presiding arbitrator within thirty (30) Days after the latter of the two arbitrators has been appointed by the parties to the Dispute.

18.2.C.5 If the Party appointed arbitrators cannot reach agreement on a third arbitrator, or if one Party fails or refuses to appoint its Party appointed arbitrator within the prescribed period, then the President or Vice-President of the SIAC Court of Arbitration shall appoint one or more independent arbitrators as may be necessary so that there will be an arbitral tribunal comprised of 3 arbitrators.

18.2.C.6 If there are more than 2 Parties to the Dispute then the President or Vice-President of SIAC Court of Arbitration shall appoint all 3 independent arbitrators.

18.2.C.7 Place of Arbitration. Unless otherwise agreed by all parties to the Dispute, the place of arbitration shall be Singapore.

18.2.C.8 Language. The arbitration proceedings shall be conducted in the English language and the arbitrator(s) shall be fluent in the English language.

18.2.C.9 Entry of Judgment. The award of the arbitral tribunal shall be final and binding. Judgment on the award of the arbitral tribunal may be entered and enforced by any court of competent jurisdiction.

18.2.C.10 Notice. All notices required for any arbitration proceeding shall be deemed properly given if sent under Article 17.

18.2.C.11 Interest. The award shall include interest, as determined by the arbitral tribunal, from the date of any default or other breach of this Agreement until the arbitral award is paid in full. Interest shall be awarded at the Agreed Interest Rate.

18.2.C.12 Currency of Award. The arbitral award shall be made and payable in United States dollars, free of any tax or other deduction.

18.2.C.13 Exemplary Damages. The Parties waive their rights to claim or recover from each other, and the arbitral tribunal shall not award, any punitive or other exemplary damages (whether statutory or common law) except to the extent such damages have been awarded to a third party and are subject to allocation between or among the parties to the Dispute.

18.2.C.14 Consolidation. If the Parties initiate multiple arbitration proceedings, the subject matters of which are related by common questions of law or fact and that could result in conflicting awards or obligations, then all such proceedings may be consolidated into a single arbitral proceeding.

18.2.D Confidentiality. All negotiations, mediation, arbitration, and expert determinations relating to a Dispute (including a settlement resulting from negotiation or mediation, an arbitral award, documents exchanged or produced during a mediation or arbitration proceeding, and memorials, briefs or other documents prepared for the arbitration) are confidential and may not be disclosed by the Parties, their employees, officers, directors, counsel, consultants, and expert witnesses, except (under Article 15.2) to the extent necessary to enforce this Article 18 or any arbitration award, to enforce other rights of a Party, or as required by law; provided, however, that breach of this confidentiality provision shall not void any settlement, expert determination or award.

18.3 Expert Determination

For any decision referred to an expert under Article 8.4, the Parties hereby agree that such decision shall be conducted expeditiously by an expert selected unanimously by the parties to the Dispute. The expert is not an arbitrator of the Dispute and shall not be deemed to be acting in an arbitral capacity. The Party desiring an expert determination shall give the other parties to the Dispute written notice of the request for such determination. If the parties to the Dispute are unable to agree upon an expert within ten (10) Days after receipt of the notice of request for an expert determination, then, upon the request of any of the parties to the Dispute, the International Centre for Expertise of the International Chamber of Commerce (ICC) shall appoint such expert and shall administer such expert determination through the ICC's Rules for Expertise. The expert, once appointed, must not have any ex parte communications with any of the parties to the Dispute concerning the expert determination or the underlying Dispute. All Parties agree to cooperate fully in the expeditious conduct of such expert determination and to provide the expert with access to all facilities, books, records, documents, information, and personnel necessary to make a fully informed decision in an expeditious manner. Before issuing his final decision, the expert shall issue a draft report and allow the parties to the Dispute to comment on it. The expert shall endeavor to resolve the Dispute within thirty (30) Days (but no later than sixty (60) Days) after his appointment, taking into account the circumstances requiring an expeditious resolution of the matter in Dispute. The expert's decision shall be final and binding on the parties to the Dispute unless challenged in an arbitration under Article 18.2.C within sixty (60) Days of the date the expert's final decision is received by the parties to the Dispute. In such arbitration (i) the expert determination on the specific matter under Article 8.4 shall be entitled to a rebuttable presumption of correctness; and (ii) the expert shall not (without the written consent of the parties to the Dispute) be appointed to act as an arbitrator or as adviser to the parties to the Dispute.

ARTICLE 19 ALLOCATION OF COST AND PROFIT HYDROCARBONS

19.1 Allocation of Total Production

19.1.A The total quantity of Hydrocarbons produced and measured at the Delivery Point (as determined under Article 9) from each Development and Production Area and to which the

Parties are collectively entitled under the Contract shall be composed of Cost Hydrocarbons and Profit Hydrocarbons under the Contract.

19.1.B Operator shall develop and the Operating Committee shall approve procedures for allocating such Cost Hydrocarbons and Profit Hydrocarbons during each Calendar Quarter among the individual Development and Production Areas based upon the following principles:

19.1.B.1 Cost Hydrocarbons and Profit Hydrocarbons shall first be allocated to Development and Production Areas based on the principle that an earlier established operation shall not be enhanced or impaired in any way through the subsequent establishment of any Development and Production Area, whether the subsequently established Development and Production Areas are Exclusive Operations or Joint Operations;

19.1.B.2 All allocations made under this Article 19 shall incorporate adjustments to reflect differences in value if different qualities of Hydrocarbons are produced; and

19.1.B.3 The allocation procedures shall conform to the requirements of the Contract.

19.2 Allocation of Hydrocarbons to Parties

Cost Hydrocarbons and Profit Hydrocarbons allocated to Development and Production Areas under Article 19.1 shall be allocated to the Parties in proportion to their Participating Interests in each such Development and Production Area.

Despite anything to the contrary contained in this Article 19, and to the extent allowed under the Contract, Cost Hydrocarbons which are not specifically attributable to a Development and Production Area, if any, shall be allocated to the Parties in proportion to their respective participation in the operations that underlie any such Cost Hydrocarbons, provided, that the rights of a Party to Cost Hydrocarbons or Profit Hydrocarbons from a Development and Production Area to which it is a participant shall not be impaired by the rights of any other Party to recover Cost Hydrocarbons that are not specifically attributable to such Development and Production Area.

19.3 Use of Estimates

Initial distribution of Hydrocarbons under this Article 19 shall be based upon estimates furnished by Operator under Article 9, with adjustments for actual figures to be made in kind within forty-five (45) Days after the end of the Calendar Quarter and at any later date when adjustments must be made with the Government under the Contract.

19.4 Principles

If no allocation procedure is approved by the Operating Committee under Article 19.1, the Parties shall nonetheless be bound by the principles set forth in this Article 19 regarding the allocation of Cost Hydrocarbons and Profit Hydrocarbons.

ARTICLE 20 GENERAL PROVISIONS

20.1 Conduct of the Parties

20.1.A Each Party with regard to operations and/or activities under this Agreement (i) warrants that such Party and its Affiliates and their respective directors, officers, employees and personnel have not made, offered, or authorized, and (ii) covenants that such Party and its

Affiliates and their respective directors, officers, employees, and personnel will not make, offer, or authorize, any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any Public Official, any political party, political party official, or candidate for office, or any other individual or entity, where such payment, gift, promise or advantage would violate the Anti-Bribery Laws and Obligations applicable to such Party.

In addition each Party with regard to operations and/or activities under this Agreement (i) warrants that such Party and its Affiliates and their respective directors, officers, employees and personnel have complied with, and (ii) covenants that such Party and its Affiliates and their respective directors, officers, employees, and personnel will comply with the Anti-Bribery Laws and Obligations applicable to such Party.

20.1.B Each Party shall as soon as possible notify the other Parties of any investigation or proceeding initiated by a governmental authority relating to an alleged violation of applicable Anti-Bribery Laws and Obligations by such Party, or its Affiliates, or any of their directors, officers, employees, personnel, or any service providers of such Party or its Affiliates, concerning operations and activities under this Agreement. Such Party shall use reasonable efforts to keep the other Parties informed as to the progress and disposition of such investigation or proceeding, except that such Party shall not be obligated to disclose to the other Parties any information that would be considered legally privileged.

20.1.C Each Party shall indemnify the other Parties for any damages, losses, penalties, costs (including reasonable legal costs and attorneys' fees), and liabilities arising from, or related to the events underlying:

20.1.C.1 such Party's admission of allegations made by a governmental authority concerning operations and/or activities under this Agreement that such Party or its Affiliates or their directors, officers, employees and personnel have violated Anti-Bribery Laws and Obligations applicable to such Party; or

20.1.C.2 the final adjudication concerning operations and/or activities under this Agreement that such Party or its Affiliates or their directors, officers, employees and personnel have violated Anti-Bribery Laws and Obligations applicable to such Party.

Such indemnity obligations shall survive termination or expiration of this Agreement.

20.1.D Each Party shall concerning matters that are the subject of this Agreement:

20.1.D.1 Devise and maintain adequate internal controls concerning such Party's undertakings under Article 20.1.A;

20.1.D.2 Establish and prepare its books and records in accordance with generally accepted accounting practices applicable to such Party;

20.1.D.3 Properly record and report such Party's transactions in a manner that accurately and fairly reflects in reasonable detail such Party's assets and liabilities;

20.1.D.4 Retain such books and records for a period of at least 5 calendar years; and

20.1.D.5 Comply with the laws applicable to such Party.

20.1.E Each Party must be able to rely on the adequacy of the other Parties' system of internal controls, and on the adequacy of full disclosure of the facts, and of financial and other information concerning operations and/or activities under this Agreement.

20.1.F Each Party shall promptly respond in reasonable detail to any reasonable request from any other Party concerning a notice sent by such Party under Article 20.1.B and shall furnish applicable documentary support for such Party's response, including showing such Party's compliance with the undertakings set out in Article 20.1.A and Article 20.1.D, except that such Party shall not be obligated to disclose to the other Parties any information that would be considered legally privileged.

20.1.G In addition each Party shall on the written request of any Party furnish to the other Parties a written certification in a form substantially similar to Exhibit C and signed by an authorized representative to the effect that such Party has complied with Article 20.1.A, subject to any notices given under Article 20.1.B.

20.2 Conflicts of Interest

20.2.A Operator undertakes that it shall avoid any conflict of interest between its own interests (including the interests of Affiliates) and the interests of the other Parties in dealing with suppliers, customers and all other organizations or individuals doing or seeking to do business with the Parties concerning activities contemplated under this Agreement.

20.2.B The provisions of the preceding paragraph shall not apply to:

20.2.B.1 Operator's performance that is in accordance with the local preference laws or policies of the Government; or

20.2.B.2 Operator's acquisition of products or services from an Affiliate, or the sale of products to an Affiliate, made under this Agreement.

20.2.C Unless otherwise agreed, the Parties and their Affiliates are free to engage or invest (directly or indirectly) in an unlimited number of activities or businesses, any one or more of which may be related to or in competition with the business activities contemplated under this Agreement, without having or incurring any obligation to offer any interest in such business activities to any Party.

20.3 Public Announcements

20.3.A Operator shall be responsible for the preparation and release of all public announcements and statements regarding this Agreement or the Joint Operations; provided that no public announcement or statement shall be issued or made unless, before its release, all the Parties have been furnished with a copy of such statement or announcement and the approval of at least one Party that is not an Affiliate of Operator holding fifty percent (50%) or more of the Participating Interests not held by Operator or its Affiliates has been obtained. If a public announcement or statement becomes necessary or desirable because of danger to, or loss of, life, damage to property or pollution resulting from activities arising under this Agreement, Operator is authorized to issue and make such announcement or statement without prior approval of the Parties, but Operator shall promptly furnish all the Parties with a copy of such announcement or statement.

20.3.B If a Party that is not the Operator wishes to issue or make any public announcement or statement regarding this Agreement or the Joint Operations, it shall not do so unless, before the release of the public announcement or statement, such Party furnishes all the Parties with a copy of such announcement or statement, and obtains the approval of the

Operator; provided that despite any failure to obtain such approval, no Party shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with the applicable laws, rules, or regulations of any government, legal proceedings or stock exchange having jurisdiction over such Party or its Affiliates as set forth in Article 15.2.

20.4 Successors and Assignees

Subject to the limitations on Transfer contained in Article 12, this Agreement shall inure to the benefit of and be binding upon the successors and assignees of the Parties.

20.5 Waiver

No waiver by any Party of any one or more defaults by another Party in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults by the same Party, whether of a like or of a different character. Except as expressly provided in this Agreement no Party shall be deemed to have waived, released, or modified any of its rights under this Agreement unless such Party has expressly stated, in writing, that it does waive, release, or modify such right.

20.6 No Third Party Beneficiaries

Except as provided under Article 4.6.B, the interpretation of this Agreement shall exclude any rights under any legislative provisions conferring rights under a contract to persons not a party to that contract.

20.7 Joint Preparation

Each provision of this Agreement shall be construed as though all Parties participated equally in the drafting of the same. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

20.8 Severance of Invalid Provisions

If and for so long as any provision of this Agreement shall be deemed to be judged invalid for any reason whatsoever, such invalidity shall not affect the validity or operation of any other provision of this Agreement except only so far as shall be necessary to give effect to the construction of such invalidity, and any such invalid provision shall be deemed severed from this Agreement without affecting the validity of the balance of this Agreement.

20.9 Counterpart Execution

This Agreement may be signed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided that no Party shall be bound to this Agreement unless and until all Parties have signed a counterpart. For purposes of assembling all counterparts into one document, Operator is authorized to detach the signature page from one or more counterparts and, after signature of such page by the respective Party, attach each signed signature page to a counterpart.

20.10 Entirety

This Agreement, including any attachments, constitutes the entire agreement of the Parties, supersedes all prior representations, understandings and negotiations of the Parties relating to the

subject matter of this Agreement, and except as set out in Article 20.8, may not be modified except by a written amendment signed by all Parties.

IN WITNESS of their agreement each Party has caused its duly authorized representative to sign this instrument on the date indicated below such representative's signature.

CFG Energy Pte. Ltd.

By: ______________________

(Kevin Flaherty)

Title: Executive Director

Date: 20 October 2014

TRG M15 Pte. Ltd.

By: ______________________

(Simon Trevisan)

Title: Chairman

Date: 20 October 2014

Century Bright Gold Co., Ltd

By: ______________________

(U Kyaw Thura)

Title: Chairman

Date: 20 October 2014

EXHIBIT A
ACCOUNTING PROCEDURE

To the Joint Operating Agreement between **CFG Energy Pte. Ltd.** and **TRG M15 Pte. Ltd.** and **Century Bright Gold Co., Ltd**

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ACCOUNTING PROCEDURE

SECTION 1
GENERAL PROVISIONS

1.1 Purpose

1.1.1 The purpose of this Accounting Procedure is to establish equitable methods for determining charges and credits applicable to Joint Operations under the Agreement to the end that no Party shall gain or lose in relation to other Parties.

1.1.2 If the methods prove unfair or inequitable to Operator or Non-Operators, then the Parties shall meet and in good faith try to agree on changes deemed necessary to correct any unfairness or inequity.

1.2 Interpretation

1.2.1 In the event of a conflict between the provisions of this Accounting Procedure and the provisions of the Agreement, the provisions of the Agreement shall prevail.

1.2.2 It is the intention of the Parties that the Operator maintain the Joint Account, and conduct Joint Operations and Exclusive Operations, in accordance with the requirements of the Contract. Accordingly, if there is a conflict between a provision of this Accounting Procedure and a provision of the Contract, the provision of the Contract shall prevail.

1.2.3 Where alternative provisions are shown in this form and none is selected, the first alternative shall be part of this Accounting Procedure. Where optional provisions are shown in this form, only the optional provisions selected shall be part of this Accounting Procedure.

1.3 Definitions

All capitalized words in this Accounting Procedure shall have the meaning specified in the Agreement. Certain other terms used in this Accounting Procedure are defined as follows:

"Accrual Basis" means that basis of accounting under which costs and benefits are regarded as applicable to the period in which the liability for the cost is incurred or the right to the benefit arises, regardless of when billed, paid, or received.

"Agreement" means the Joint Operating Agreement entered into by **CFG Energy Pte. Ltd.** and **TRG M15 Pte. Ltd.** and **Century Bright Gold Co., Ltd** to which this Accounting Procedure is attached as an exhibit.

"Cash Basis" means that basis of accounting under which only costs actually paid and revenue actually received are included for any period.

"Designated Affiliate Charges" shall have the meaning set forth in Paragraph 2.8.2.

"Material" means machinery, equipment, and supplies acquired and held for use in Joint Operations.

"Paragraph" means a paragraph of this Accounting Procedure.

1.4 Joint Account Records and Currency Exchange

1.4.1 Operator shall at all times maintain and keep true and correct records of the production and disposition of all Hydrocarbons, of all costs and expenditures under the Agreement, and of other data necessary or proper for the settlement of accounts between the Parties in connection with their rights and obligations under the Agreement to enable Parties to comply with their income tax and other legal and contractual obligations.

1.4.2 Operator shall maintain accounting records pertaining to Joint Operations in accordance with generally accepted accounting practices used in the international petroleum industry, the Laws, the provisions of the Contract, and the Agreement.

1.4.3 Operator shall maintain the Joint Account in the English language and in U.S. dollars as well as in any other language and currency required by the Laws or the Contract. Operator shall record conversions of currency at the rate actually experienced in the conversion. Operator shall record any currency translations to express the amount of expenditures and receipts for which a currency conversion has not actually occurred, in addition to any requirements of the Laws and Contract in accordance with Operator's normal practice. Operator shall provide a statement describing its practice to the Non-Operators upon request.

1.4.4 Operator shall charge or credit any currency exchange gains or losses to the Joint Account, except as otherwise specified in this Accounting Procedure.

1.4.5 This Accounting Procedure shall apply separately, *mutatis mutandis*, to Exclusive Operations. Accordingly, Operator shall maintain charges and credits applicable to Exclusive Operations separately from charges and credits applicable to Joint Operations. In determining and calculating the remuneration of the Consenting Parties, including the premiums for Exclusive Operations, Operator shall express the costs and expenditures in U.S. dollars (irrespective of the currency in which the expenditures were incurred).

1.4.6 Operator shall use the Accrual Basis for accounting in preparing accounts concerning the Joint Operations. If a Cash Basis for accounting is used, then Operator shall show accruals as memorandum items.

1.5 Statements

1.5.1 On or before the 30th Day of each Calendar Month, Operator shall submit a statement to each Party of the costs and expenditures incurred by Operator during the prior Calendar Month, indicating by appropriate classification the nature of the costs, the corresponding budget category, the portion of the costs charged to each Party, and the portion of the costs being billed to a Party by that statement.

1.5.2 Operator's statements required by Paragraph 1.5.1 shall also contain the following information:

(a) the funds received pursuant to Cash Calls setting forth the currencies received from each Party;
(b) the share of each Party in total expenditures;
(c) the accrued expenditures;
(d) the current account balance of each Party;
(e) a summary of costs, credits, and expenditures on a current Calendar Month; calendar year-to-date, and inception-to-date basis or other periodic basis, as agreed by the Parties;
(f) the working capital balance; and
(g) the details of unusual charges and credits more than U.S. $20,000,

and, if the relevant Calendar Month is the last month in a calendar quarter, the information that the Operator is required to provide to MOGE under Subpart 3.2 of Annexure C of the Contract.

Operator shall group the expenditures in the statement by the categories and line items designated in the approved Work Program and Budget to aid the Parties in comparing the actual expenditures against the Work Program and Budget.

1.5.3 Operator shall, upon request by a Non-Operator, furnish a description of the accounting classifications used by Operator.

1.5.4 Operator shall express amounts included in the statements in U.S. dollars and reconcile them to the currencies paid pursuant to a Cash Call or paid pursuant to a statement.

1.5.5 Each Party shall be responsible for preparing its own accounting and tax reports. Operator, to the extent that the information is reasonably available from the Joint Account records, shall provide Non-Operators in a timely manner with the information necessary to comply with their income tax and other legal and contractual obligations. If the information is not reasonably available to Operator, then the information shall be provided to the requesting Party (i) if the requesting Party needs the information to meet its accounting and tax requirements; (ii) if the Joint Account records of Operator are the only source from which the information

can be acquired by the requesting Party; (iii) if the Operator can develop the information, (iv) if the requesting Party pays the costs incurred by Operator to prepare the information, and (v) if preparing the information will not unduly burden the administrative and technical personnel of Operator. Only the requesting Party that pays the costs will receive the information requested.

1.6 Cash Calls

1.6.1 Upon approval of any Work Program and Budget, Operator may submit to the Non-Operators a Cash Call for the next Calendar Month's operations. The Cash Call shall equal the Operator's estimate of the money to be spent in the currencies required to perform its duties under the approved Work Program and Budget during the next Calendar Month. For informational purposes Operator shall submit with the Cash Call an estimate of the funds required for each of the two Calendar Months following the Calendar Month for which the Cash Call is made. The Cash Call and the two-Calendar Month estimate shall be detailed by the categories designated in the approved Work Program and Budget.

1.6.2 Operator shall submit each Cash Call in writing and deliver it to all Non-Operators not less than 15 Days before the due date for payment of the Cash Call. Operator shall set the due date, but the due date shall be no sooner than the first Business Day of the Calendar Month for which the funds subject of the Cash Call are required. Each Non-Operator shall pay any Cash Call free of bank charges. Any bank charges deducted from the payment of a Cash Call shall be borne by the Non-Operator that made the payment.

1.6.3 Each Non-Operator shall wire transfer to Operator at a bank designated by Operator the share corresponding to the Non-Operator of the full amount of each Cash Call in the currencies requested or any other currencies acceptable to Operator. Operator may charge the Non-Operator the entire cost of converting the currency furnished to the currency requested in the Cash Call.

1.6.4 If Operator issues a Cash Call for a Calendar Month but becomes aware of additional sums of money needed for that Calendar Month, then Operator may revise the outstanding Cash Call if the revision is made before the 15-Day period prior to the due date of the outstanding Cash Call. Otherwise, Operator may make an additional Cash Call for the Calendar Month in question. The due date for payment of the additional Cash Call shall be 10 Days after receipt of the Cash Call by each Non-Operator, but no sooner than the first Business Day of the Calendar Month for which the additional Cash Call is made.

1.6.5 If payment of a Cash Call by a Non-Operator exceeds its share of cash expenditures for a Calendar Month, then the next Cash Call for that Non-Operator shall be reduced by the excess. However, if the excess is greater than the estimated Cash Call for that Non-Operator for the next Calendar Month, then the Non-Operator may request a refund from Operator of the difference between the

excess and the estimated Cash Call for that Non-Operator for the next Calendar Month if the difference is more than U.S. $100,000. Operator shall refund the difference within 15 Days after receipt of a request from the Non-Operator.

1.6.6 If the amounts paid by a Non-Operator pursuant to a Cash Call are less than its share of cash expenditures for the Calendar Month covered by the Cash Call, then Operator may add the deficiency to subsequent Cash Calls or bill the Non-Operator for the deficiency in the statement rendered by Operator to Non-Operators under Paragraph 1.5.1.

1.6.7 Interest paid into a bank account into which funds received by Operator from the Parties are deposited shall be applied against the next Cash Call or, if directed by the Operating Committee, paid to the Parties. The interest thus received shall be allocated to the Parties on a proportionate basis taking into consideration the date of funding by each Party of the account in proportion to the total funding of the account. Operator shall provide the Parties a monthly statement summarizing receipts, disbursements, and transfers and beginning and ending balances for each bank account.

1.6.8 If Operator does not issue a Cash Call to Non-Operators, then Operator shall bill each Non-Operator for its share of expenditures in the statement rendered by Operator to Non-Operators under Paragraph 1.5.1.

1.6.9 Each Party shall pay the amount requested of that Party by a Cash Call on or before the due date specified in the Cash Call. The due date for any amount billed to a Party in a statement from Operator shall be 15 Days following receipt of the statement from Operator. Any late payment of a Cash Call or an amount billed in a statement by a Party prior to a Default Period applicable to that Party, should it become a Defaulting Party, shall accrue interest in favor of Operator at the Agreed Interest Rate from its due date until the earlier of the date payment is received by Operator or the beginning of a Default Period as to that Party as a Defaulting Party.

1.6.10 Subject to the Laws, Operator shall have the right, at any time and from time to time, to convert the funds received pursuant to a Cash Call or any part of those funds to other currencies to the extent that the currencies are then required for operations. The cost of any conversion of funds shall be charged to the Joint Account.

1.6.11 Operator shall try to maintain funds held for the Joint Account in bank accounts at a level consistent with that required for the prudent conduct of Joint Operations.

1.7 Adjustments

Payment by a Non-Operator of any Cash Calls or amounts billed in a statement shall not prejudice the right of that Non-Operator to protest or question the correctness of the Cash

Calls or amounts billed; however, all statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after 24 Calendar Months following the end of the calendar year unless within that 24-Calendar Month period a Non-Operator takes written exception to a charge and makes claim on Operator for adjustment. Operator shall provide a response to all written exceptions whether or not contained in an audit report within the time period prescribed in Paragraph 1.8.5.

1.8 Audits

1.8.1 A Non-Operator, upon at least 60 Days advance notice in writing to Operator and all other Non-Operators, shall have the right to audit the Joint Account and records of Operator relating to the accounting hereunder for any calendar year within the 24-Calendar Month period following the end of the calendar year; however, the conduct of any audit shall not extend the time for taking a written exception to and for adjustments of account as provided in Paragraph 1.7. Operator shall provide Non-Operators reasonable access to Operator's personnel and to the facilities, warehouses, and offices directly or indirectly serving Joint Operations as well as the source documents reasonably necessary to support Operator charges to the Joint Account for the purposes of the audit and to examine, copy, and retain the copies of the source documents. The cost of each audit and the copies of Joint Account records shall be borne by Non-Operators participating in the audit. If two or more Non-Operators give notice of audit, then they shall make a reasonable effort to conduct joint or simultaneous audits in a manner that will result in a minimum of inconvenience to Operator. At any time before commencement of the audit, Non-Operators participating in the audit may request from Operator information limited to that normally used for pre-audit work such as trial balance, general ledger, and sub-ledger data. Operator shall provide the information in electronic format or if electronic format is not available, then in hard copy, within 30 Days after the written request from Non-Operator.

1.8.2 If Operator does not provide for the requested audit of a charge under Paragraph 1.8.1 within the 24-Calendar Month period provided in Paragraph 1.7, then Operator shall credit the Joint Account for the charge in question no later than 30 days after expiration of the 24-Calendar Month period.

1.8.3 Any information obtained by a Party under the provisions of this Paragraph 1.8 that does not relate directly to the Joint Operations shall be kept confidential and shall not be disclosed to any party, except as would otherwise be permitted by the Agreement.

1.8.4 If the Joint Account and the records of Operator relating to accounting under the Contract are subject to audit under the Laws or the Contract, then the cost of the audit shall be charged to the Joint Account, and a copy of the audit report shall be furnished to each Non-Operator.

1.8.5 At the conclusion of an audit under the provisions of this Paragraph 1.8, the Parties shall try to settle outstanding matters expeditiously. To this end the Parties conducting the audit will make a reasonable effort to prepare and distribute a written report to Operator and all the Parties that participated in the audit within 90 Days after the conclusion of each audit. The report shall include all written exceptions and claims for adjustment with supporting documentation arising from the audit, along with comments pertinent to the operation of the accounts and records. The 90-Day time period for preparing and distributing the written report shall not extend the 24-Calendar Month period for taking written exception to and making a claim on Operator for adjustment under Paragraph 1.7. Operator shall reply to the report from the Parties conducting the audit within 90 Days after it is received by Operator. Should a Party participating in the audit consider that the report or reply requires further investigation of any exception in the report, that Party shall have the right to further investigate the exception for a period of 60 Days. The further investigation shall not extend the 24-Calendar Month period for taking written exception to and making a claim on Operator for adjustments under Paragraph 1.7.

1.8.6 All adjustments resulting from an audit agreed between Operator and the Non-Operator conducting the audit shall be reflected promptly in the Joint Account by Operator and reported to the Non-Operator. If any Dispute shall arise in connection with an audit, then the Dispute shall be reported to and discussed by the Operating Committee, and, unless otherwise agreed by the Parties to the Dispute, resolved in accordance with the provisions of Article 18 of the Agreement. If all the Parties to the Dispute so agree, then the adjustments may be referred to an independent expert, e.g., an independent accounting firm, agreed to by the Parties to the Dispute. At the election of the Parties to the Dispute, the decision of the expert will be binding upon those Parties. Unless otherwise agreed, the cost of the expert will be shared equally by all Parties to the Dispute.

1.8.7 Any Party may audit the records of a Non-Operator or its Affiliate relating to charges under Paragraph 2.8.1 and Paragraph 2.8.3. The provisions of this Paragraph 1.8 shall apply *mutatis mutandis* to that audit. Should the charges be rejected because of the audit, the charges shall be charged back to the Party that provided the service or whose Affiliate provided the service.

1.8.8 The provisions of this Paragraph 1.8 apply to audits required under the Agreement when there is a change of Operator except that the 60 Day advance notice and the advance information provisions of Paragraph 1.8.1 shall not apply.

1.8.9 The rights of Non-Operators as to adjustments under Paragraph 1.7 and audits under Paragraph 1.8 in relation to Designated Affiliate Charges shall be governed by this Paragraph 1.8.9.

1.8.9.1 If a Non-Operator takes written exception to and makes a claim on Operator for adjustment under Paragraph 1.7 of any Designated Affiliate

Charge or requests an audit of the charges under Paragraph 1.8, then Operator shall conduct an audit of the charges as follows:

(a) The rates and other supporting documentation for the charges shall be audited by an internationally recognized independent public accounting firm selected by Operator.

(b) Operator shall bear the accounting firm audit fee.

(c) Within 12 Calendar Months after a Non-Operator requests an adjustment or audit of Designated Affiliate Charges, Operator shall furnish the Non-Operator a copy of a report from the accounting firm stating whether the Designated Affiliate Charges:

(i) represent a complete and accurate allocation of the charges to the Joint Operations;
(ii) exclude any element of profit;
(iii) exclude any duplication of costs covered under Paragraph 2 and Paragraph 3 and;
(iv) are consistent in application to all the activities of the Affiliate.

1.8.9.2 The Designated Affiliate Charges to the Joint Account in question shall conclusively be presumed to be true and correct 90 Days after Operator has furnished the Non-Operator with the report from the accounting firm as provided in Paragraph 1.8.9.1 (c) unless within that 90-Day period (i) the Non-Operator that originally made a written exception and claim on Operator for adjustment renews the written exception and claim for adjustment or (ii) the Non-Operator that requested the audit takes written exception to the charges and makes claim on Operator for adjustment.

1.8.9.3 If Operator fails to conduct the audit provided for under Paragraph 1.8.9.1, then Operator shall credit the Joint Account for the charge in question no later than 30 Days after expiration of the 12-Calendar Month period.

1.9 Allocations

If it becomes necessary for Operator to allocate any costs or expenditures to or between Joint Operations and any other operations outside the Agreement, then the allocation shall be made on an equitable basis. For informational purposes only, Operator shall furnish a description of its allocation procedures pertaining to these costs and expenditures and its rates for personnel and other charges, along with each proposed Work Program and Budget. The allocation shall be subject to audit under Paragraph 1.8.

1.10 Procedure for Unscheduled Direct Charges

Operator may charge the Non-Operators whether by statement or Cash Call for their proportionate share of the following unscheduled direct costs:

(a) costs which should have been charged to the Joint Account but were charged to other operations not covered by the Contract and were the subject of audit exceptions outside of this Accounting Procedure if charged by Operator to the Non-Operators within 24 Calendar Months from the time the audit exception outside of this Accounting Procedure is resolved by Operator;

(b) revision of Joint Account costs that result from a physical inventory of the Material provided for in Paragraph 6 if charged by Operator to the Non-Operators within 24 Calendar Months from the time the physical inventory is completed by Operator;

(c) costs that are the subject of audit exceptions or other requirements by the Government or MOGE under the Contract if charged by Operator to the Non-Operators within 24 Calendar Months from the time the audit exception or other requirement by the Government or MOGE is resolved by Operator; and

(d) other direct costs incurred by Operator but not previously charged to the Non-Operators if charged by Operator to the Non-Operators within the 24-Calendar Month period following the end of the calendar year in which the costs were first incurred by Operator.

SECTION 2
DIRECT CHARGES

2.1 Costs Chargeable to the Joint Account

2.1.1 Operator may charge the Joint Account for all direct costs and expenditures incurred by Operator in the conduct of Joint Operations within the limits of approved Work Programs and Budgets, and as permitted in Article 4.2.B.14 (emergencies), in Article 4.11.C (costs related to resignation or removal of Operator), and in Article 4.11.D (inventory and audit of an Operator that has resigned or been removed) of the Agreement.

2.1.2 Any charge by Operator to the Joint Account shall exclude profit to Operator, any Non-Operator and their respective Affiliates except charges for equipment, facilities and utilities owned by Operator under Paragraph 2.7.1 or an Affiliate of Operator under Paragraph 2.7.2; and, charges for services by an Affiliate of Operator, a Non-Operator, or any Affiliate of a Non-Operator under Paragraph 2.8.1.

2.1.3 Direct costs and expenditures chargeable to the Joint Account are more fully described and addressed in Paragraphs 2.2 through Paragraph 2.16. Direct costs exclude indirect costs, which are described and addressed in Paragraph 3.

2.2 Licenses, Permits

Operator shall charge the Joint Account for all costs for the acquisition, maintenance, renewal, or relinquishment of licenses, permits, contractual rights, and surface rights acquired for Joint Operations, and bonuses paid in accordance with the Contract when paid by Operator in accordance with the provisions of the Agreement.

2.3 Salaries, Wages, and Related Costs

2.3.1 Operator may charge the Joint Account for all salaries, wages, and related costs of employees of Operator and its Affiliates directly engaged in Joint Operations, including everything constituting the employees' total compensation, as well as the cost to Operator of holiday, vacation, sickness, disability benefits, living and housing allowances, travel time, bonuses, and other customary allowances applicable to salaries and wages, as well as the costs to Operator for employee benefits (and benefits for the employee's spouse and dependent children) including employee group life insurance, group medical insurance, hospitalization, retirement, and severance payments and other benefit plans of a like nature applicable to labor costs of Operator. The salaries, wages and related costs of employees working outside of Myanmar can only be charged to the Joint Account if and to the extent that timesheets of those employees show that those employees were working on Joint Operations.

2.3.2 Operator may charge the Joint Account for all costs associated with organizational restructuring of Operator or its Affiliates (e.g., separation benefits, relocation costs, asset disposition costs), limited to employees directly engaged in Joint Operations on a full time basis; however, all other costs associated with organizational restructuring of Operator or its Affiliates require the approval of the Parties.

2.3.3 Operator may charge the Joint Account for all accrued costs of benefit plans required by the Laws upon the first to occur of (i) the time the benefit is payable to the employee or (ii) upon termination of the Agreement; however, upon withdrawal of a Party from the Agreement, that Party shall pay its Participating Interest share of the accrued costs.

2.3.4 Operator may charge the Joint Account for all expenditures or contributions made pursuant to assessments imposed by governmental authority for payments regarding or on account of employees described in Paragraph 2.3.1.

2.3.5 Operator may charge the Joint Account for all salaries, wages, and related costs on an actual basis or on a rate basis. Any rate used must be based on the average cost to Operator in accordance with Operator's usual practice. Operator shall determine its average cost annually and calculate expatriate and national employee rates separately.

2.3.6 Operator may charge the Joint Account for all reasonable expenses (including travel costs) reimbursed to employees under the usual practice of Operator.

2.4 **Employee Relocation Costs**

2.4.1 Operator may charge the Joint Account for all relocation costs of employees assigned to Joint Operations. If the employee works on activities other than Joint Operations, then relocation costs shall be allocated on an equitable basis.

2.4.2 Relocation costs include transportation of employees, families of employees, personal and household effects of the employee and family, transit expenses, and all other related costs in accordance with Operator's usual practice.

2.4.3 Operator may not charge the Joint Account for relocation costs to an assignment that is not with the Joint Operations unless the place of the new assignment is the point of origin of the employee or unless otherwise agreed by the Operating Committee.

2.5 **Offices, Camps, and Miscellaneous Facilities**

Operator may charge the Joint Account for all costs of maintaining offices, sub-offices, camps, warehouses, housing, and other facilities of Operator and its Affiliates directly

serving the Joint Operations. If the facilities also serve operations other than the Joint Operations, then the costs shall be allocated to the properties served on an equitable basis.

2.6 Material

2.6.1 Operator may charge the Joint Account for all costs, net of discounts taken by Operator, for Material purchased or furnished by Operator, including export brokers' fees, transportation charges, loading and unloading fees, export and import duties and license fees associated with the procurement of Material, and any in-transit losses not covered by insurance. So far as it is reasonably practical and consistent with efficient and economical operation, Operator shall purchase Material only as may be required for immediate use.

2.7 Equipment, Facilities and Utilities Owned by Operator and Affiliates of Operator

2.7.1 Operator may charge the Joint Account for equipment, facilities, and utilities owned by Operator at rates not to exceed commercial rates of non-affiliated third parties then prevailing in the area for like equipment, facilities, and utilities.

2.7.2 Operator may charge the Joint Account for equipment, facilities, and utilities under contracts with Affiliates of Operator provided the charge does not exceed commercial rates of non-affiliated third parties then prevailing in the area for like equipment, facilities, and utilities. If Article 6.7 of the Agreement requires Operating Committee approval of the contract with the Affiliate of Operator, the terms of Operating Committee approval shall control. Where Operating Committee approval is not required:

2.7.2.1 Operator shall furnish Non-Operators a list of rates and the basis of application of the rates under any contract with its Affiliate upon request by a Non-Operator; and

2.7.2.2 Operator may revise the rates from time to time if Operator determines that the rates are either excessive or insufficient; however, revisions shall not be made more than once every six Calendar Months.

2.7.3 If drilling tools and other equipment owned by Operator or Affiliates of Operator are lost in the hole or damaged beyond repair, then Operator shall charge the Joint Account for replacement cost less depreciation plus transportation costs to deliver like equipment to the location where used.

2.8 Services

2.8.1 Operator may charge the Joint Account for services under a contract with non-affiliated third parties. Operator may also charge the Joint Account for services normally provided by non-affiliated third parties under a contract with an Affiliate of Operator, a Non-Operator, or an Affiliate of a Non-Operator provided the charge does not exceed the commercial rates of non-affiliated third parties then prevailing in the area considering like quality and availability of services. If Article 6.7 of the Agreement requires Operating Committee approval of the contract with an Affiliate of Operator, a Non-Operator, or an Affiliate of a Non-Operator, the terms of Operating Committee approval shall control. This Paragraph 2.8.1 does not apply to Paragraph 2.8.2 and Paragraph 2.8.3.

2.8.2 Operator may charge the Joint Account for all cost of services performed by technical and professional personnel of Operator Affiliates not working directly for or assigned to Operator whose services are requested by Operator for a specific activity and where the services are charged to the Joint Operations based on hourly rates or other allocation method for time spent performing the requested services ("**Designated Affiliate Charges**"), provided such charges shall include only actual costs (with no element of profit or gain) and that if such personnel are working outside of Myanmar on Joint Operations they shall record their time on timesheets. The cost of Designated Affiliate Charges include: salaries and wages, lost time, governmental assessments, employee benefits, rent, utilities, clerical support staff, drafting, telephone and other communication expenses, computer support, supplies, depreciation, and other reasonable costs. Examples of services performed giving rise to Designated Affiliate Charges include:

Geologic Studies and Interpretation
Seismic Data Processing
Well Log Analysis, Correlation and Interpretation
Laboratory Services
Ecological and Environmental Engineering
Decommissioning (Abandonment) and Reclamation
Well Site Geology
Project Management and Engineering
Source Rock Analysis
Petrophysical Analysis
Geochemical Analysis
Drilling Supervision
Development Evaluation
Project Accounting and Professional Services
Other Data Processing

2.8.3 Operator may charge the Joint Account for all cost of services performed with the approval of Operator by the technical and professional personnel of Non-Operators and their Affiliates. The costs of such services include salaries and wages, lost time, governmental assessments, employee benefits, rent, utilities,

clerical support staff, drafting, telephone and other communication expenses, computer support, supplies, depreciation, and other reasonable costs, provided that if such personnel are working outside of Myanmar on Joint Operations they shall record their time on timesheets.

A Non-Operator shall bill Operator for the costs of services charged under this Paragraph 2.8.3 on or before the last Day of each Calendar Month for charges for the preceding Calendar Month, which charges shall include only actual costs and expenses (with no element of profit or gain) incurred by Non-Operator and shall not include an administrative overhead rate.

Within 30 Days after receipt of a bill for the charges, Operator shall pay the amount due thereon.

2.8.4 Operator may charge the Joint Account for all costs incurred as payment for access to, and use of, technical data, intellectual property, and know-how of Operator's group of Affiliates in accordance with a technology participation agreement between Operator and its Affiliates and in accordance with the customary cost-sharing system applicable to operating companies within Operator's group of Affiliates. The costs shall be included in annual Work Program and Budgets as a separate line item subject to the approval of the Operating Committee.

2.8.5 Operator's charges for services under Paragraph 2.8.3 shall include only actual costs and expenses, with no element of profit, on a "*no gain, no loss basis*". The Operator may request from Non-Operators and their Affiliates a certificate issued by the statutory auditor of the relevant party confirming that the charges for such services do not contain any element of profit or gain, and that the services were performed on a "*no gain, no loss*" basis. The relevant Non-Operator or Affiliate will bear the associated accounting firm fees.

2.9 <u>Insurance</u>

Operator may charge the Joint Account for all premiums paid for insurance to be carried for the benefit of the Joint Operations as required by the Laws, the Contract, or the Agreement.

2.10 Damages and Losses to Property

2.10.1 Operator may charge the Joint Account for all costs or expenditures necessary to replace or repair damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. Operator shall furnish Non-Operators written notice of damages or losses incurred more than U.S $25,000 as soon as practical after report of the same has been received by Operator. All losses more than U.S. $100,000 shall be listed separately in the Calendar Month statement of costs and expenditures.

2.10.2 Operator shall credit the Joint Account for all settlements received from insurance carried for the benefit of Joint Operations and from others for losses or damages to Joint Property or Materials. Each Party shall be credited with its Participating Interest share of the credits except where the credits are derived from insurance purchased by Operator for fewer than all Parties in which event the proceeds of the credits shall be credited to those Parties for whom the insurance was purchased in proportion to the contribution of each toward purchase of the insurance.

2.10.3 Operator may charge the Joint Account for all expenditures incurred in the settlement of all losses, claims, damages, and judgments for the account of Joint Operations.

2.11 Litigation, Dispute Resolution, and Associated Legal Expenses

2.11.1 Operator may charge the Joint Account for all costs and expenses of litigation, dispute resolution, and associated legal services provided by non-affiliated third parties necessary for the protection of the Joint Operations under the Agreement.

2.11.2 Operator may charge the Joint Account for all costs and expenses of litigation, dispute resolution, and associated legal services provided by the legal staff of any Party or Affiliate of a Party upon approval of the Operating Committee.

2.12 Taxes and Duties

2.12.1 Operator may charge the Joint Account for all taxes, duties, assessments, and governmental charges, of every kind and nature, assessed or levied upon or in connection with the Joint Operations, other than any that are measured by or based upon the revenues, income, or net worth of a Party.

2.12.2 If Operator or an Affiliate is subject to income or withholding tax because of services performed at cost for the operations under the Agreement, then Operator's or the Affiliate's charges for the services may be increased (grossed up) by the amount of the taxes incurred.

2.13 Surveys

Operator may charge the Joint Account for all costs incurred on the Joint Property because of legal requirements for archaeological and geophysical surveys relative to identification and protection of cultural resources.

2.14 Environmental

Operator may charge the Joint Account for all costs incurred for environmental or ecological surveys as may be required by any regulatory authority, including costs to provide or have available pollution containment and removal equipment and the costs of actual control, clean up, and remediation resulting from contamination of the environment as required by the Laws or as deemed appropriate by Operator for prudent operations.

2.15 Decommissioning and Reclamation

Operator may charge the Joint Account for all costs incurred for Decommissioning of the Joint Property, including costs required by governmental or other regulatory authority or by the Contract.

2.16 Other Expenditures

Operator may charge the Joint Account for all other direct costs and expenditures incurred by Operator for Joint Operations in accordance with approved Work Programs and Budgets and this Paragraph 2.

SECTION 3
INDIRECT CHARGES

3.1 Indirect Services And Related Office Costs

Operator may charge the Joint Account each Calendar Month for the cost of indirect services and related office costs of Operator and its Affiliates not otherwise provided in this Accounting Procedure. Indirect costs chargeable under this Paragraph 3 represent the cost of general assistance and support services provided by the organizational units of Operator and its Affiliates not directly involved in Joint Operations and are costs that are not practical to identify or associate with Joint Operations but are for services that provide Joint Operations with needed and necessary resources. No cost or expenditure included under Paragraph 2 shall be included or duplicated under Paragraph 3. The charges under this Paragraph 3 are not subject to audit under Paragraphs 1.8.1 and 1.8.2 other than to verify that the overhead percentages are applied correctly to the expenditure basis.

3.2 Amount

3.2.1 Operator's indirect charge under Paragraph 3.1 for any Calendar Month shall equal the total amount of indirect charges for the period beginning at the start of the calendar year through the end of the period covered by Operator's invoice (**"Year-to-Date"**) determined under Paragraph 3.2.2, less indirect charges previously made under Paragraph 3.1 for the calendar year in question.

3.2.2 Operator's aggregate Year-to-Date indirect charges shall be a percentage of the Year-to-Date expenditures, calculated on the following scale (U.S. Dollars):

3.2.2.1 For all expenditure incurred in connection with Exploration Operations:

Annual Expenditures

- $0 to $ 5,000,000 of expenditures = 4%
- Next $3,000,000 of expenditures = 2%
- Next $4,000,000 of expenditures = 1%
- Excess above $12,000,000 of expenditures = 0.5%

3.2.2.2 For all other expenditure:

Annual Expenditures

- 0 to $12,000,000 of expenditures = 1%
- Excess above $12,000,000 of expenditures = 0.5%

3.3 Exclusions

When calculating the monthly indirect charge, the Operator shall not include in the expenditures the indirect charge (calculated either as a percentage of expenditures or as a minimum monthly charge), rentals on surface rights acquired and maintained for the Joint Account, guarantee deposits, pipeline tariffs, concession acquisition costs, bonuses paid in accordance with the Contract, royalties and taxes on production or revenue to the Joint Account paid by Operator, expenditures associated with major construction projects for which a separate indirect charge is established hereunder, payments to third parties in settlement of claims, and other similar items.

Credits arising from any government subsidy payments, disposition of Material, and receipts from third parties for settlement of claims shall not be deducted by Operator from total expenditures in determining the indirect charge.

SECTION 4
ACQUISITION OF MATERIAL

4.1 Acquisitions

Operator shall charge for Materials purchased for the Joint Account at Operator's net cost. The price of Materials purchased shall include export broker's fees, insurance, transportation charges, loading and unloading fees, import duties, license fees, demurrage (retention charges) associated with the procurement of Materials, and applicable taxes, less all discounts taken.

4.2 Materials Furnished by Operator

Operator shall purchase Materials required for operations for direct charge to the Joint Account whenever practicable, except Operator may furnish Materials from its stock, with the price to be determined under the following conditions:

4.2.1 New Materials (Condition "A")

If Operator furnishes new Materials transferred from Operator's warehouse or other properties of Operator, the price charged shall be the net cost determined in accordance with Section 4.1 as if Operator had purchased the new Material just before its transfer, but in no event exceeding the then current market price.

4.2.2 Used Materials (Conditions "B" and "C")

4.2.2.1 If Operator furnishes used Material, then the Material must be in sound and serviceable condition and suitable for use without repair or reconditioning. Operator shall classify such Material as Condition "B" and price the Material at 75% of the new purchase net cost at the time of transfer.

4.2.2.2 Regarding Materials not meeting the requirements of Section 4.2.2.1, but which can be made suitable for use after being repaired or reconditioned, Operator shall classify such material as Condition "C" and price the Material at 50% of the new purchase net cost at the time of transfer. Operator may charge the Joint Account with the cost of reconditioning if the Condition "C" price, plus cost of reconditioning, does not exceed the Condition "B" price; and if that Material so classified meets the requirements for Condition "B" Material upon being repaired or reconditioned.

4.2.2.3 Operator shall price Material that cannot be classified as Condition "B" or Condition "C" at a value commensurate with its use.

4.2.2.4 Operator shall grade tanks, derricks, buildings, and other items of Material involving erection costs, if transferred in knocked-down condition, as to condition as provided in Section 4.2.2, and price same on the basis of knocked-down price of like new Material.

4.2.2.5 Operator shall grade Material including drill pipe, casing, and tubing, that is no longer useable for its original purpose but is useable for some other purpose, as to condition as provided in Section 4.2.2, and price same on the basis of the current price of items normally used for the other purpose if sold to third parties.

4.3 Premium Prices

Whenever Material is not readily obtainable at prices specified in Paragraphs 4.1 and 4.2 because of national emergencies, strikes, or other unusual causes over which Operator has no control, Operator may charge the Joint Account for the required Material at Operator's actual cost incurred in procuring the Material, in making it suitable for use, and in moving it to the Contract Area.

4.4 Warranty of Material Furnished by Operator

Operator does not warrant the condition or fitness for the purpose intended of the Material furnished. If defective Material is furnished by Operator for the Joint Account, then any credit granted shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

SECTION 5
DISPOSAL OF MATERIALS

5.1 Disposal

Operator shall be under no obligation to purchase the interest of Non-Operators in new or used surplus Materials. Operator shall have the right to dispose of Materials but shall advise and secure prior agreement of the Operating Committee of any proposed disposition of Materials having an original cost to the Joint Account either individually or in the aggregate of U.S. $100,000 or more. When Joint Operations are relieved of Material charged to the Joint Account, Operator shall advise each Non-Operator of the original cost of the Material to the Joint Account so that the Parties may eliminate the costs from their asset records. Operator shall credit the Joint Account for Material sold by Operator in the month in which payment is received for the Material. Any Material sold or disposed of by Operator under this Paragraph 5 shall be on an "as is, where is" basis without guarantees or warranties of any kind or nature. If Operator incurs costs in disposing of the Materials, then Operator may charge such costs to the Joint Account.

5.2 Material Purchased by a Party or Affiliate

Operator shall credit to the Joint Account proceeds received from Material purchased from the Joint Property by a Party or its Affiliate, and value new Material in the same manner as new Material under Paragraph 4.2 and value used Material in the same manner as used Material under Paragraph 4.2, unless otherwise agreed by the Operating Committee.

5.3 Division In Kind

If Material is divided among the Parties, the division shall be in proportion to the Parties' respective interests in the Material. Thereupon, the Operator shall charge each Party with the value (determined in accordance with the procedure set forth in Paragraph 5.2) of the Material received or receivable by it.

5.4 Sales to Third Parties

Operator shall credit proceeds received from Material purchased from the Joint Property by third parties to the Joint Account at the net amount collected by Operator from the buyer. If the sales price is less than the value determined in accordance with the procedure set forth in Paragraph 5.2, then approval by the Operating Committee shall be required before the sale. Any claims by the buyer for defective Materials or otherwise shall be charged back to the Joint Account if and when paid by Operator.

SECTION 6
INVENTORIES

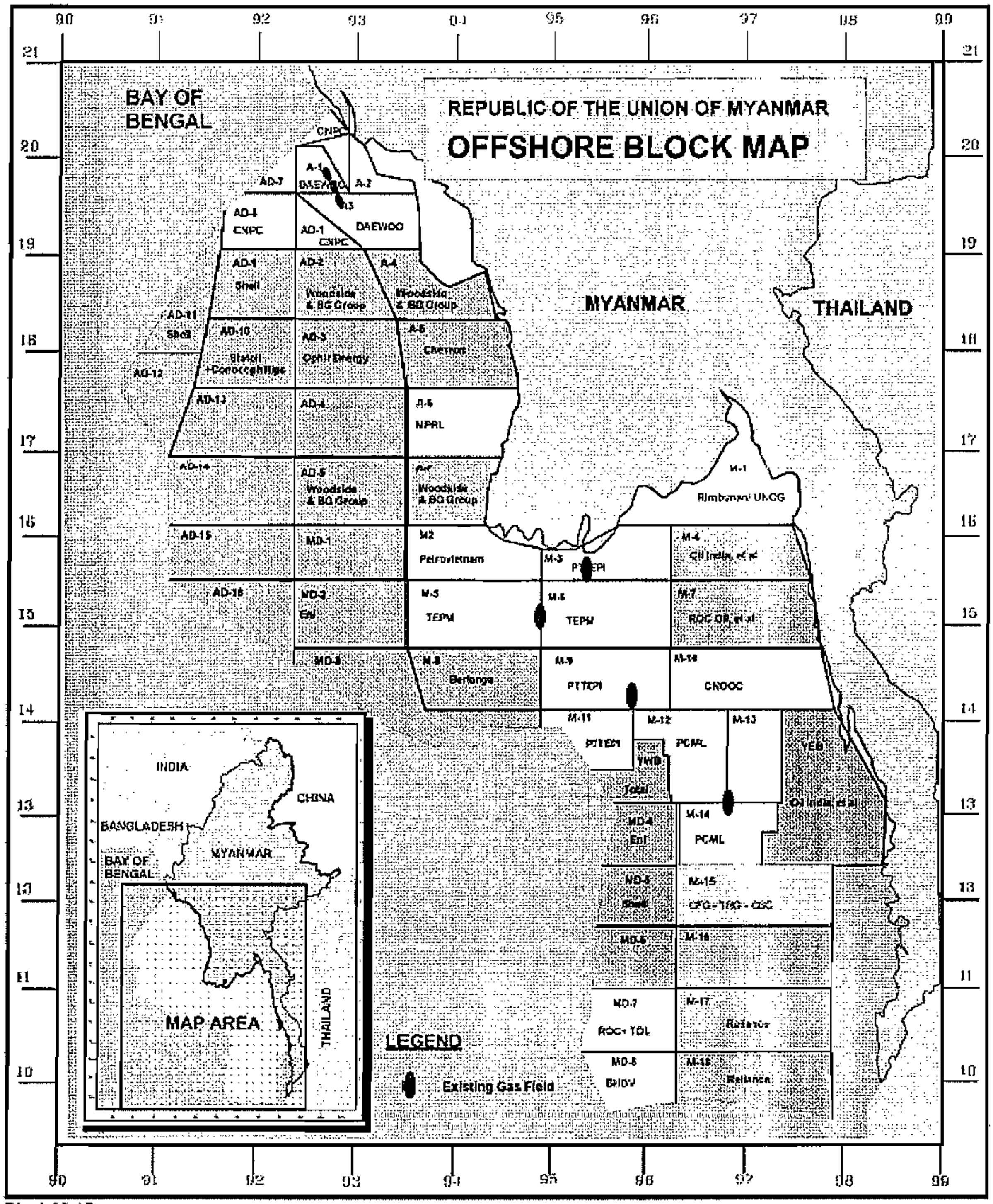
6.1 Periodic Inventories - Notice and Representation

Operator shall take at reasonable intervals, inventories of all Material held in warehouse stock on which detailed accounting records are normally maintained. Operator shall charge the expense of conducting periodic inventories to the Joint Account. Operator shall give Non-Operators written notice at least 60 Days in advance of its intention to take inventory, and Non-Operators, at their sole cost and expense, shall each be entitled to have a representative present. If any Non-Operator fails to be represented at the inventory, such Non-Operator shall be bound to accept the inventory taken by Operator. Operator shall in any event furnish each Non-Operator with a reconciliation of overages and shortages and charge any inventory adjustments for overages and shortages to the Joint Account. Any adjustment equal to 5% of total inventory value or more shall be brought to the attention of the Operating Committee.

6.2 Special Inventories

Whenever there is a sale or change of a Participating Interest in the Agreement, Operator shall take a special inventory provided the seller, the purchaser, or both agree to bear all of the expense of the inventory. Both the seller and the purchaser shall be entitled to be represented when the special inventory occurs and shall be bound by the inventory taken.

EXHIBIT B
CONTRACT AREA



Block M-15

Lat 11°40' - 12°19'

Long 96°19' - 98°00'

EXHIBIT C
FORM OF CERTIFICATE OF ANTI-BRIBERY COMPLIANCE

[Certifying Party Letterhead]

To: [......................], [......................], [......................], and [......................]

Re: Annual Certification

Dear Sir,

Pursuant to Article 20.1.G of the Joint Operating Agreement dated [......................] among [......................], [......................], [......................], and [......................] ("**Agreement**"), the undersigned hereby confirms that throughout the twelve (12) months ending 31st December [......................], [Certifying Party], its Affiliates and their respective directors, officers, employees and personnel, have complied with their warranties and covenants set out in Article 20.1.A of the Agreement.

The certificate is issued by the undersigned duly authorized representative for and on behalf of [Certifying Party] after having made due enquiry as to the matters set out above, but without personal liability on the part of such authorized representative.

Yours faithfully,

Name and Title:...

[an executive director or officer of Certifying Party]

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR SHALLOW WATER OFFSHORE BLOCKS

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Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks
1.	Contract Area	**M15**
2.	Area of Block	
3.	Water Depth	
4.	Type of Contract	**Production Sharing Contract (PSC)**
5.	Preparation Period (EIA/SIA/EMP)	- **6 months** (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. **Min. Expenditure =250,000.00 US$** **{Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}**
6.	Data Fee	**350,000.00 US$** (Payment within 30 days after commencement of the Study Period)
7.	Study Period	**- 6 ~ 12 months** — **Min. Expenditure** - Study of existing G&G data and reprocessing if required — **1.0 Million US$** **{Contractor will have the option to back-off after 6 ~ 12 months Study Period}**
8.	Signature Bonus	**5.1 Million US$** (Payment within 30 days after entering into the Exploration Period.)
9.	Exploration Period (Minimum Work Commitment and Expenditure)	**- 3 years** — **Min. Expenditure** Year 1 - Seismic Acquisition, Processing, Interpretation — **20 Million US$** Year 2 - drill minimum 1 (one) well @$25 Million/well — **25 Million US$** Year 3 - post- well evaluation & to drill 1 (one) well — **25 Million US$** *(or) to drill minimum 2 (two) wells during Year 1 to 3* Total — **70 Million US$** **{Contractor will have the option to back-off after 3 years Exploration Period}** 1st Extension Period (2 years) — **Min. Expenditure** Year 4 - prospect evaluation — **4 Million US$** Year 5 - To drill 1 (one) well — **25 Million US$** Total — **29 Million US$** **{Contractor will have the option to back-off after 2 years 1st Extension Period}** 2nd Extension Period (1 year) — **Min. Expenditure** Year 6 - To drill 1 (one) well — **25 Million US$** **{Contractor may enter into Production Period upon commercial discovery}**
10.	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.
11.	Royalty	12.5% of Available Petroleum.
12.	Cost Recovery	50% of all Available Petroleum for water depth 600 feet or less 60% of all Available Petroleum for water depth more than 600 feet
13.	Profit Split *(Profit Petroleum Allocation)*	**Crude Oil** / **Natural Gas** (tables below)

Crude Oil

Water Depth	*600 feet or less*		*more than 600 feet*	
BOPD	**MOGE(%)**	**CONT(%)**	**MOGE(%)**	**CONT(%)**
0 - 25,000	60	40	60	40
25,001 - 50,000	65	35	65	35
50,001 - 100,000	80	20	75	25
100,001 - 150,000	85	15	80	20
above 150,000	90	10	85	15

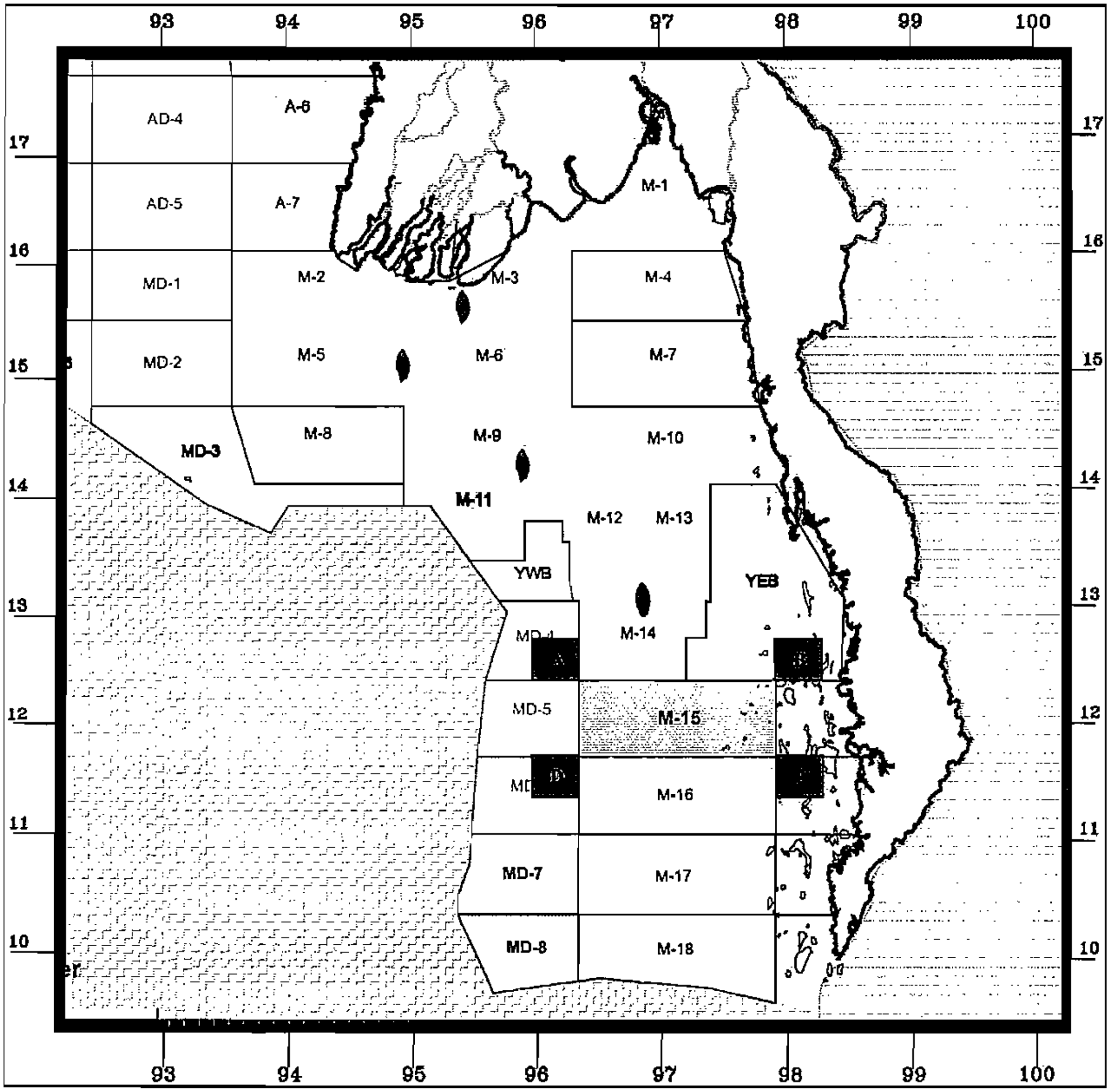
Natural Gas

Water Depth	*600 feet or less*		*more than 600 feet*	
MMCFD	**MOGE(%)**	**CONT(%)**	**MOGE(%)**	**CONT(%)**
0 - 300	65	35	60	40
301 - 600	75	25	70	30
601 - 900	85	15	80	20
above 900	90	10	90	10

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR SHALLOW WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks
14.	Production Bonus	**Crude Oil** Upon approval of Development Plan = 1.00 MMUS$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS$ **Natural Gas** Upon approval of Development Plan = 1.00 MMUS$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS$ 600 MMCFD (for 90 consecutive days production) = 4.00 MMUS$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS$
15.	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.
16.	Training Fund	Exploration Period = 50,000 US$ per Year. Production Period = 100,000 US$ per Year.
17.	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.
18.	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel of Oil Equivalent.
19.	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)
20.	Governing Law	Laws of the Republic of the Union of Myanmar.
21.	Arbitration	UNCITRAL Arbitration Rules.
22.	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:- - If the amount of Net Profit is up to 100 MMUS$ 40% - If the amount of Net Profit is between 100 MMUS$ and 150 MMUS$ 45% - If the amount of Net Profit is over 150 MMUS$ 50%
23.	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24.	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.

MAP OF CONTRACT AREA



COORDINATES OF BLOCK M-15

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	12° 19' 00"	96° 19' 00"
B	12° 19' 00"	98° 00' 00"
C	11° 40' 00"	98° 00' 00"
D	11° 40' 00"	96° 19' 00"
A	12° 19' 00"	96° 19' 00"

Area of Block "M-15" = 5,204 Sq. Miles.

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PRODUCTION SHARING CONTRACT

FOR

THE EXPLORATION AND PRODUCTION OF PETROLEUM

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

CFG ENERGY PTE. LTD.

AND

TRG M15 PTE. LTD.

AND

CENTURY BRIGHT GOLD CO., LTD.

FOR

BLOCK M-15

TANINTHARYI OFFSHORE AREA

REPUBLIC OF THE UNION OF MYANMAR

Dated: , 2015

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PRODUCTION SHARING CONTRACT
FOR OFFSHORE PETROLEUM OPERATIONS
TANINTHARYI OFFSHORE BLOCK M-15
BETWEEN
MYANMA OIL AND GAS ENTERPRISE
AND
CFG ENERGY PTE. LTD.
AND
TRG M15 PTE. LTD.
AND
CENTURY BRIGHT GOLD CO., LTD.

This Contract entered into and delivered at Nay Pyi Taw, the Republic of the Union of Myanmar on the (day) of (month), 2015 by and between

MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "MOGE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, MYANMA OIL AND GAS ENTERPRISE of the one part,

and

CFG ENERGY PTE. LTD., a company incorporated under the laws of the Republic of Singapore and fully owned subsidiary of CANADIAN FORESIGHT GROUP

(hereinafter referred to as "CFG" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, CFG ENERGY PTE. LTD.; and

TRG M15 PTE. LTD., a company incorporated under the laws of the Republic of Singapore and fully owned a subsidiary of TRG Metals Pty Ltd. (hereinafter referred to as "TRG" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, TRG M15 PTE. LTD.; and

CENTURY BRIGHT GOLD CO., LTD., a company registered under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "CBG" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, CENTURY BRIGHT GOLD CO., LTD.; of the other part

CFG and **TRG** and **CBG** are hereinafter, together with their respective successors and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a "Contractor Party", and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by Contractor Party.)

MOGE and CONTRACTOR are collectively referred to as the "Parties" and individually as a "Party".

TRG and **CFG** and **CBG** are hereinafter, together with their respective successors and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a "Contractor Party", and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by Contractor Party.)

MOGE and CONTRACTOR are collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH

WHEREAS, The Republic of the Union of Myanmar is the sole owner of all natural resources within her territory and offshore areas and has the right to develop, extract, exploit and utilize the natural resources in the interest of the people of all the national groups; and

WHEREAS, MOGE is an enterprise formed by the Government of the Republic of the Union of Myanmar and is concerned with exploration and production of "Petroleum"(as hereinafter defined) within the Republic of the Union of Myanmar both onshore and offshore areas; and

WHEREAS, MOGE has the exclusive right to carry out all operations in the Republic of the Union of Myanmar and throughout the area described in Annexure "A" and outlined on the map which is Annexure "B", both attached hereto and made a part hereof, which area is hereinafter referred to as the "Contract Area"; and

WHEREAS, CONTRACTOR is of sound financial standing and possesses technical competency and professional skill for carrying out exploration and development works and other "Petroleum Operations"(as hereinafter defined in accordance with good international petroleum industry practices); and

WHEREAS, each Party has the right, power and authority to enter into this Contract; and

WHEREAS, MOGE and CONTRACTOR mutually desire to enter into this Contract which is the Production Sharing Contract in relation to the "Contract Area" as hereinafter defined;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set out, it is agreed as follows;

SECTION 1

DEFINITIONS

In this Contract, words in the singular include the plural and vice versa, and except where the context otherwise requires the following terms shall have the meaning set out as follows:

1.1 "Accounting Procedure" means the procedures and reporting requirements set forth in Annexure "C".

1.2 "Additional Exploration Operations" mean Exploration Operations performed by CONTRACTOR beyond those required by the minimum work commitment provisions in this Contract or as the case may be.

1.3 "Affiliate" means any company, or other legal entity;

a) in which CONTRACTOR holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or

b) which holds directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote, or

c) in which at least fifty percent (50%) of the shares entitled to vote are owned directly or indirectly by a company, or any other legal entity, which owns directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote.

1.4 "Appraisal Period" means the period which CONTRACTOR deems necessary to determine whether a Discovery is a Commercial Discovery.

1.5 "Appraisal Programme" means a programme submitted by CONTRACTOR pursuant to Section 7.2, under which CONTRACTOR will evaluate and delineate a Discovery including the estimated list of equipments, vehicles, machineries, materials, accessories, etc... that would be used for appraisal works under this Contract.

1.6 "Associated Gas" means Natural Gas found in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.

1.7 "Barrel" means a quantity or unit of forty-two (42) U.S. gallons liquid measured at or corrected to a temperature of sixty degrees (60^{o}) Fahrenheit with normal atmospheric pressure at sea level.

1.8 "Budget" means an estimate of income and expenditures formulated in relation to a Work Programme.

1.9 "Calendar Year" means a period of twelve (12) consecutive months commencing with January 1st and ending with December 31st next following, according to the Gregorian calendar.

1.10 "Commencement of Commercial Production" means, in relation to each Development and Production Area, the date on which regular and continuous shipments of Crude Oil (excluding test production) commence or the date on which regular and continuous sales of Natural Gas commence or any combination of these commence from the Contract Area (excluding production for testing purposes).

1.11 "Commencement of the Operation Date" means the date of approval of the Myanmar Investment Commission on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) and such date will be informed by MOGE to CONTRACTOR.

1.12 "Commercial Discovery" means the Discovery in the Contract Area of an accumulation or accumulations of Petroleum which CONTRACTOR, after conducting appraisal operations to assess the quantity and quality of the Petroleum present, the place and the depth of its location, the estimated development and production expenditures, prices prevailing in the world market and other relevant technical and economic factors, decides it is commercial to develop and produce.

1.13 "Contract" means this Production Sharing Contract, together with the Annexures attached hereto.

1.14 "Contract Area" means;

a) on the Effective Date the offshore area as described in Annexure "A" and shown on the map in Annexure "B" and

b) there after the whole or any part of such offshore area in respect of which at any particular time, CONTRACTOR continues to have rights and obligations under this Contract.

1.15 "Contract Year" means a period of time normally of three hundred and sixty-five (365) consecutive days commencing from the Commencement of the Operation Date.

1.16 "Cost Petroleum" means Petroleum out of which CONTRACTOR may recover the costs and expenses of the Petroleum Operations pursuant to Section 9.4.

1.17 "Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

1.18 "Cubic Foot" means a quantity or unit of vapor saturated with Natural Gas contained in one (1) cubic foot of space at a temperature of sixty degrees (60^{o}) Fahrenheit and pressure of 14.735 psia (30 inches Hg).

1.19 "Delivery Point" means (a) the agreed point of delivery within the relevant Development and Production Area for Petroleum delivered to MOGE as Royalty pursuant to Section 10 and Crude Oil and Natural Gas made available for the Myanmar domestic market pursuant to Section 14.1 and Section 14.4, (b) the point to be determined in accordance with Section 13 for Natural Gas, and (c) the point of export, Myanmar, for Petroleum made available for export sale, as the case may be.

1.20 "Development and Production Area" means the area or areas established by CONTRACTOR and designated as such or enlarged, as the case may be, in accordance with Section 8.

1.21 "Development and Production Operations"means all operations including but not limited to administrative and other related activities, within or outside the Contract Area, which are carried out in accordance with the Development Plan for a Development and Production Area in connection with the extraction, separation, processing, gathering, transportation, storage, treatment and disposition of Petroleum from such Development and Production Area.

1.22 "Development and Production Period" means, in relation to each Development and Production Area, the period specified in Section 3.6.

1.23 "Development Plan" means a plan for development of a Commercial Discovery prepared by CONTRACTOR and approved in accordance with Sections 8.5 or 8.6, including any amendments thereto.

1.24 "Discovery" means a discovery during Petroleum Operations of an accumulation or accumulations of Petroleum which in the opinion of CONTRACTOR may be capable of being produced and sold in commercial quantities.

1.25 "Discovery Area" means an area or areas in which CONTRACTOR may establish in accordance with Section 8.

1.26 "Drawback Basis" means all rented or leased assets which are imported into Myanmar, by CONTRACTOR or its subcontractors, with the approval of MOGE, for Petroleum Operations under the PSC's, at the time of completion, which are to be exported out of Myanmar. Assets imported on Drawback Basis are those which are not foreign direct investment and / or Myanmar citizens investment.

1.27 "Effective Date" means the date of signing of this Contract by the Parties.

1.28 "Exploration Operations" mean operations, within or outside the Contract Area, which are conducted under this Contract during the Exploration Period or in connection with the exploration for Petroleum including, without limitation, geological, geophysical and other technical surveys and studies, the review, processing and analysis of data, the drilling of exploratory and appraisal wells, operations and activities carried out to determine whether a Discovery constitutes a Commercial Discovery, associated planning, design, administrative, engineering, construction and maintenance operations, and all other related operations and

activities referred to in Annexure "C" or otherwise contemplated under the provisions of this Contract.

1.29 "Exploration Period" means the period specified in Sections 3.4, including any extensions to the Exploration Period granted under the terms of this Contract.

1.30 "Financial Year" means the financial year of the Government of the Republic of the Union of Myanmar and extending for a period of twelve (12) months commencing with 1st April and ending with 31st March next following.

1.31 "Government" means the government of the Republic of the Union of Myanmar.

1.32 "Investment Basis" means all assets which are imported into Myanmar by CONTRACTOR as an investment in accordance with the stipulations of the Contract for Petroleum Operations hereunder. Assets imported on Investment Basis are those which are allowed to make foreign direct investment and / or Myanmar citizens investment.

1.33 "Management Committee" means the committee established by that name pursuant to Section 18.

1.34 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

1.35 "Net Profit" means the amount of the proceeds of the sale or transfer of the interests of the CONTRACTOR under this Contract or the shares in the Company, registered under Section 5.1, less Petroleum Costs, which are not recovered by Cost Recovery under Article 2 in Annexure "C" until the time of transaction, Data Fee and bonuses under Section 11, and interests under Section 9.11.

1.36 "Petroleum Costs" mean all of the costs and expenditures borne and incurred by CONTRACTOR in connection with or related to the conduct of Petroleum Operations pursuant to this Contract, and determined and accounted for in accordance with Annexure "C".

1.37 "Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other hydrocarbons produced in association therewith.

1.38 "Petroleum Operations" mean all operations, within or outside the Contract Area, under this Contract, including, without limitation, Study and Exploration Operations, Development and Production Operations, or any combination of such operations, transportation, storage, marketing, all associated planning, design, administrative, engineering, construction and maintenance operations, and any or all other incidental operations or activities, as may be necessary under the provisions of this Contract.

1.39 "Preparation Period" means a period of six (6) months starting from signing date of this Contract during which Environmental Impact Assessment (EIA), Social

Impact Assessment (SIA) and Environmental Management Plan (EMP) shall be conducted by the CONTRACTOR in respect of the Contract Area.

1.40 "Quarter" means a period of three (3) months starting with the first day of January, April, July or October of each Calendar Year.

1.41 "Study Period" means a period of time starting from the Commencement of the Operation Date, as described in Section 3.3, during which a study will be conducted as described in Section 6, in respect of, inter alia, data and information supplied by MOGE pursuant to Section 2.4.

1.42 "U.S. Dollar" or "US$" means the lawful currency of the United States of America.

1.43 "Value Added Petroleum Downstream Products" means derivatives produced from, including but not limited to, Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Methanol and any other products utilizing Natural Gas and/or Crude Oil as feedstock.

1.44 "Work Programme" means a work programme mutually agreed by MOGE and CONTRACTOR itemizing the Petroleum Operations to be conducted within or with respect to the Contract Area, Discovery Area or Development and Production Area and time schedule thereof, including the estimated list of the equipments, vehicles, machineries, materials, accessories, etc... that would be used in the Petroleum Operations under this Contract.

1.45 "Foreign Investment Law" means the Foreign Investment Law of the Republic of the Union of Myanmar (the Pyi Htaung Su Hlut Taw Law No. 21/2012 dated 2nd November 2012) and related rules and notification.

SECTION 2

SCOPE

2.1 This Contract is a Production Sharing Contract. In accordance with the provisions herein contained, MOGE shall have and be responsible for the management of Petroleum Operations contemplated hereunder.

2.2 CONTRACTOR shall be responsible to MOGE for the execution of the Petroleum Operations in accordance with the provisions of this Contract, and is hereby appointed and constituted the exclusive company (operator) to conduct Petroleum Operations in the Contract Area. CONTRACTOR shall provide all the financial and technical assistance required for the Petroleum Operations. CONTRACTOR shall carry the risk of Petroleum Costs required in carrying out the Petroleum Operations and shall therefore have an economic interest in the development of the Petroleum in the Contract Area. Such costs shall be included in Petroleum Costs recoverable as provided in Section 9.4. The interest expenses incurred by the CONTRACTOR to finance its Exploration Operations hereunder shall not be cost recoverable from Cost Petroleum.

2.3 During the term of this Contract the total production achieved in the conduct of such Petroleum Operations in each Quarter shall be divided in accordance with the provisions of Section 9.

2.4 To assist CONTRACTOR in performing work hereunder, MOGE shall as soon as practicable supply to CONTRACTOR all data and information relating to the Contract Area in MOGE's possession or under the control of MOGE.

2.5 CONTRACTOR shall send back to MOGE all original data and information relating to Section 2.4 above and also in digitize format no later than six (6) months after receipt of such data and information by CONTRACTOR.

2.6 CONTRACTOR shall within thirty (30) days after the Commencement of the Operation Date, make payment to MOGE the sum specified in Section 11.1 as Data Fee.

2.7 Data Fee paid in accordance with Section 2.6, shall be tax deductible, but shall not be recoverable from Cost Petroleum under Section 9.

SECTION 3

TERM

3.1 Unless sooner terminated in accordance with the terms hereof, this Contract shall remain in effect during the Preparation Period, Study Period, Exploration Period and any Development and Production Period.

3.2 The Preparation Period shall begin on the Effective Date and shall continue for a period of six (6) months and may be extended to a certain period by sole discretion of MOGE based on issuance of Myanmar Investment Commission's approval on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) reports.

3.3 The Study (Technical Evaluation and Assessment –TEA) Period shall commence from the Commencement of the Operation Date of this Contract and shall have duration of twelve (12) months.

3.4 If at the end of the Study Period, CONTRACTOR, after fully disclosing the results of the study to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE given not later than fifteen (15) days before the end of the Study Period. Thereafter, CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, Exploration Period shall begin immediately following the expiration of Study Period and shall continue for three (3) consecutive years ("Initial Exploration Period"). CONTRACTOR may extend, at its sole discretion, the Exploration Period for three (3) years, consisting of two year as the ("First Extension Year") and another one year as the ("Second Extension Year"), provided that, it shall have fulfilled its obligations hereunder for the then current period. CONTRACTOR shall notify MOGE thirty (30) days prior to the end of the Initial Exploration Period or the then current extension period that it intends to enter into any such extension to the Exploration Period.

3.5 If seismic or drilling operations (including testing) are in progress at the end of the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended until sixty (60) days after completion of such operations. If CONTRACTOR shall have made a Discovery during the Initial Exploration Period, or any extension of the Exploration Period, the current period shall be automatically extended as to the Discovery Area designated pursuant to Section 7 for such additional period as shall be sufficient for CONTRACTOR in accordance with the terms of this Contract to appraise the Discovery and declare a Commercial Discovery and designate a Development and Production Area.

3.6 A Development and Production Period shall commence with respect to each Development and Production Area on the date that CONTRACTOR gives

notice of Commercial Discovery relating to such Development and Production Area and shall continue until the expiration of twenty (20) years from the date of completion of development in accordance with the Development Plan for such Development and Production Area or the expiration of the sale(s) contract(s) relating to the sale and purchase of Petroleum produced hereunder whichever is longer.

3.7 Without limiting the rights of the Parties under Section 17 and 20, in the event that the Parties agree that CONTRACTOR is prevented or impeded from carrying on Petroleum Operations or gaining access to the Contract Area for reasons relating to the protection of personnel, subcontractors, property, or the environment, CONTRACTOR's obligations hereunder shall be suspended from the time of the commencement of such impairment until the impairment has been alleviated. As soon as practicable thereafter, the Parties shall meet and agree upon a period of time which shall be added to the Study Period and/or Exploration Period and/or any Development and Production Period, which period of time shall be equivalent to the amount of time necessary to restore Petroleum Operations to the status which they occupied at the time of the impairment.

If the impairment of Petroleum Operations described above should continue for a period of time exceeding two (2) years, CONTRACTOR shall have the right to elect in its sole discretion to terminate this Contract and CONTRACTOR shall be discharged from all further obligations under this Contract, including specifically without limitation the obligation to pay any deficiency under Section 5.3 and perform the minimum work commitments under Section 5.2 below.

SECTION 4

RELINQUISHMENTS

4.1 Not later than at the end of the Exploration Period (including any extension), all of the Contract Area other than Discovery Areas and Development and Production Areas shall be relinquished. Notwithstanding the foregoing, if CONTRACTOR elects to enter into the Second Extension Year of the Exploration Period as described in Section 3.4, CONTRACTOR shall select from the Contract Area an area or areas totaling not more than 75% of the Contract Area (excluding any Discovery Areas and Development and Production Areas) in which to carry out further Petroleum Operations. The remainder of the Contract Area, other than Discovery Areas and Development and Production Areas, shall be relinquished at the time of such selection.

4.2 CONTRACTOR may at any time relinquish voluntarily its rights hereunder to conduct Petroleum Operations in all or any part of the Contract Area. Any such voluntary relinquishment of less than all the Contract Area shall be credited toward any subsequent relinquishment obligations hereunder.

4.3 No relinquishment shall relieve CONTRACTOR from its obligation for the accrued but unfulfilled minimum work commitments specified in Section 5.3 of this Contract.

4.4 At least thirty (30) days in advance of the date of the relinquishment under Sections 4.1 and 4.2, CONTRACTOR shall notify MOGE of the portions of the Contract Area to be relinquished. In connection with any relinquishment of less than all of the Contract Area, the CONTRACTOR and MOGE shall consult with each other in order to ensure that each individual portion of the Contract Area relinquished shall, so far as reasonably possible, be of sufficient size and shape to enable Petroleum Operations to be conducted thereon.

SECTION 5

MINIMUM WORK COMMITMENT

5.1 Subject to the provisions hereof, CONTRACTOR shall commence Petroleum Operations promptly, after adoption of the initial Work Programme and Budget pursuant to Section 6.2 and the issuance of all permits, clearances and licenses necessary for the commencement for field operations. As soon as practicable following the Effective Date, CONTRACTOR shall file such documents as shall be required to effect registration as a foreign corporation authorized to do business in Myanmar.

5.2 Subject to the provisions of this contract, the CONTRACTOR shall perform the following Exploration Operations.

(a) During the Study (TEA) Period, to conduct study of existing geological and geophysical data and reprocessing if required, all at an estimated cost of U.S. Dollars One Million (US$ 1,000,000).

(b) If CONTRACTOR elects to enter into the Initial Exploration Period for three (3) years, during Year 1of the Initial Exploration Period, to conduct seismic acquisition, processing and interpretation, all at an estimated cost of U.S. Dollars Twenty Million (US$ 20,000,000).

(c) During Year 2 of the Initial Exploration Period, to conduct the drilling of one (1) well, all at an estimated cost of U.S. Dollars Twenty Five Million (US$ 25,000,000).

(d) During Year 3 of the Initial Exploration Period, to conduct post-well evaluation and the drilling of one (1) well, all at an estimated cost of U.S. Dollars Twenty Five Million (US$ 25,000,000).

(e) If CONTRACTOR elects to enter into the First Extension Period of the Exploration Period for two (2) years, during Year 1 of the First Extension Period, to conduct Prospect Evaluation at an estimated cost of U.S. Dollars Four Million (US$ 4,000,000).

(f) During Year 2 of the First Extension Period, to conduct the drilling of one (1) well, all at an estimated cost of U.S. Dollars Twenty Five Million (US$ 25,000,000).

(g) If CONTRACTOR elects to enter into the Second Extension Period of the Exploration Period for one (1) year, to conduct the drilling of one (1) well, all at an estimated cost of U.S. Dollars Twenty Five Million (US$ 25,000,000).

The minimum work commitments specified in Section 5.2(b) to (g), respectively, shall only apply to the extent that CONTRACTOR elects to exercise its option to proceed into or extend, as the case may be, the Exploration Period as provided in

Section 3.4.

5.3 If the CONTRACTOR fails to fulfill the minimum work commitment described in Section 5.2(a) to (g) for Study and Exploration Operations:

(a) during the Study (TEA) Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (a) and the amount actually expended on study operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the study operations set forth in Section 5.2 (a) during the Study Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2 (a) whether or not such amount was actually expended, or

(b) during the Initial Exploration Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (b) to (d) and the amount actually expended on Exploration Operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(b) to (d) during the Initial Exploration Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2(b) to (d) whether or not such amount was actually expended, or

(c) during extension of the Exploration Period thereafter, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2(e) and (g) attributable to such extension and the amount actually expended on or accrued for Exploration Operations during such extension provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(e) and (g) attributable to such extension of the Exploration Period it shall be deemed to have fulfilled the work commitments set forth in Section 5.2(e) and (g) for such extension, whether or not such amount was actually expended.

Notwithstanding anything in this Contract to the contrary, payment of such amount, if any, by CONTRACTOR in accordance with this Section 5.3, shall be MOGE's exclusive remedy for CONTRACTOR's failure to fulfill its minimum work commitment.

5.4 Guarantees

5.4.1 On the Effective Date, CONTRACTOR shall provide, in the form shown in Annexure "D" a Parent Company Guarantee as well as within thirty (30) days after entering into Study (TEA) Period provide a Performance Bank Guarantee issued by corresponding bank of Myanma Foreign Trade Bank in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (a). If CONTRACTOR enters into the Initial Exploration Period it shall, provide similar

Guarantees in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (b) to (d). If CONTRACTOR enters into any extension of the Exploration Period it shall, subject to Section 5.5, provide similar Guarantees in respect of the minimum expenditure commitment of the relevant extension period.

5.4.2 The CONTRACTOR shall furnish the Performance Bank Guarantee to MOGE in the amount equal to ten (10) percent of the aggregate value of its minimum expenditure commitment of Study (TEA) Period under Section 5.2 (a), in the event of entering into the Initial Exploration Period under Section 5.2 (b) to (d) and any extension of Exploration Period for the respective extension, same percentage of Performance Bank Guarantee shall be applicable; on condition that such Performance Bank Guarantee shall be provided within thirty (30) days after entering into such extension.

The Proceeds of Performance Bank Guarantee shall be payable to MOGE as compensation for any failure of CONTRACTOR's minimum work commitment under this Section 5.

Subject to the above clauses under Section 5.4.2, the Performance Bank Guarantee will be discharged by MOGE and return to CONTRACTOR not later than twenty (20) days following the date of completion of the respective period.

5.5 In the event the CONTRACTOR fails to perform the Exploration Operations specified in Section 5.2(b) to (d) during the Initial Exploration Period but desires to enter into the extension of the Exploration Period and has carried out Petroleum Operations with diligence, MOGE shall permit the CONTRACTOR to perform the Exploration Operations required during a specified extension in any subsequent extension of the Exploration Period.

5.6 If CONTRACTOR performs Exploration Operations beyond those required by Section 5.2(b) to (g) during the Initial Exploration Period or during the extension of the Exploration Period, the Additional Exploration Operations performed shall be credited toward CONTRACTOR's minimum work commitment obligations for the succeeding extension(s) of the Exploration Period.

SECTION 6

WORK PROGRAMMES AND BUDGETS

6.1 Unless otherwise provided herein, CONTRACTOR shall conduct Petroleum Operations in accordance with approved Work Programmes and Budgets and shall commence Petroleum Operations hereunder not later than three (3) months after the Commencement of the Operation Date.

6.2 Within sixty (60) days after the Commencement of the Operation Date, CONTRACTOR shall prepare and submit to MOGE for approval a Work Programme setting forth the Petroleum Operations which CONTRACTOR proposes to conduct during the first Contract Year and a Budget with respect thereto.

6.3 At least ninety (90) days before the end of the first Contract Year and every Contract Year thereafter, CONTRACTOR shall prepare and submit to MOGE for approval a proposed Work Programme and Budget for the next succeeding Contract Year.

6.4 If MOGE does not propose revisions to said Work Programme and Budget within such thirty (30) days period, the Work Programme and Budget proposed by CONTRACTOR shall be deemed to have been approved.

6.5 If MOGE requests any changes to the said Work Programme and Budget within such thirty (30) days provided in Section 6.4, then CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Work Programme and Budget. Revision to the Work Programme and Budget, agreed within a further period of thirty (30) days shall be incorporated in a revised Work Programme and Budget which shall then be deemed approved and adopted.

6.6 It is recognized by the Parties that the details of a Work Programme may require changes in the light of existing circumstances and nothing herein contained shall limit the right of the CONTRACTOR to make such changes with written approval of MOGE, provided they do not change the general objective of the Work Programme, nor increase the expenditure in the approved Budget.

6.7 It is further recognized that in the event of emergency or extraordinary circumstances requiring immediate action either Party may take all actions it deems proper or advisable to protect their interests and those of their respective employees and any costs so incurred shall be included in the Petroleum Costs.

6.8 MOGE agrees that the approval of a proposed Work Programme and Budget will not be unreasonably withheld and shall be approved if the Work Programme is consistent with generally accepted international petroleum industry practices.

6.9 The minimum Work Programme and Budget estimated for Study and each Exploration Periods shall be set forth by the Contractor as follows subject to provisions of Section 5:

Contract Period	**Estimated Expenditure**	**Work Programme**
Study (TEA) Period (Twelve months)	US$ 1,000,000	To conduct study of existing Geological and Geophysical data and reprocessing if required.
Initial Exploration Period (Year 1)	US$ 20,000,000	To conduct seismic acquisition, processing and interpretation.
Initial Exploration Period (Year 2)	US$ 25,000,000	To conduct the drilling of one (1) well.
Initial Exploration Period (Year 3)	US$ 25,000,000	To conduct post-well evaluation and the drilling of one (1) well.
First Extension Period (Year 1)	US$ 4,000,000	To conduct prospect evaluation.
First Extension Period (Year 2)	US$ 25,000,000	To conduct the drilling of one (1) well.
Second Extension Period (1 Year)	US$ 25,000,000	To conduct the drilling of one (1) well.
TOTAL	**US$ 125,000,000**	

SECTION 7

DISCOVERY AND APPRAISAL

7.1 The CONTRACTOR shall notify MOGE not later than thirty (30) days after any Discovery of Petroleum within the Contract Area. This notice shall summarize all available details of the Discovery and particulars of any additional testing programme to be undertaken and a map showing an outline of the boundaries of an area comprised of the portion of the Contract Area believed by CONTRACTOR to contain the Discovery.

7.2 If the CONTRACTOR considers that a Discovery merits appraisal, the CONTRACTOR shall, subject to Section 13 for Natural Gas, submit to the MOGE as soon as is practicable after completion of the exploration well in question a detailed Appraisal Programme and Budget to evaluate whether the Discovery is a Commercial Discovery.

7.3 If MOGE considers that an Appraisal Programme for a Discovery Area is merited, according to generally accepted international petroleum industry practices, MOGE may request that CONTRACTOR undertake such an Appraisal Programme, provided however that the CONTRACTOR may give reasons, also according to generally accepted international petroleum industry practices, as to why said Appraisal Programme should not be performed or should be deferred and the period of deferment.

7.4 The Appraisal Programme and Budget submitted by the CONTRACTOR to MOGE under Section 7.2 shall describe the Discovery Area, and the location, nature and estimated size of the Discovery and a designation of the area to be included in the evaluation. Once designated, a Discovery Area shall extend to all depths within its lateral boundaries, except as may be limited by Section 8. The Appraisal Programme shall also include a plan of all drilling, testing and evaluation to be conducted in the Discovery Area and all technical and economic studies related to recovery, treatment and transportation and delivery of Petroleum from Discovery Area.

7.5 If MOGE requests any changes to the Appraisal Programme and Budget for any Discovery Area, then MOGE shall so notify the CONTRACTOR in writing within fifteen (15) days of receipt thereof and the CONTRACTOR and MOGE shall meet within fifteen (15) days after receipt by the CONTRACTOR of MOGE's written notification as to the requested changes to endeavor to agree on a revised Appraisal Programme and Budget. The Appraisal Programme and Budget approved and adopted shall be CONTRACTOR's proposal as modified by agreed changes adopted thirty (30) days after receipt by the CONTRACTOR of MOGE's written notification of requested changes. If no changes are requested by MOGE, then CONTRACTOR's Appraisal Programme and Budget shall be deemed approved. The Parties recognize that the details of the Appraisal Programme may require modification as the result of changing circumstances and in that event, CONTRACTOR may make changes consistent with those set forth in this Section 7.

7.6 After adoption of the Appraisal Programme and Budget, the CONTRACTOR shall diligently continue to evaluate the Discovery in accordance with such programme without undue interruptions.

7.7 Within ninety (90) days after the evaluation is completed, but in any event prior to the expiration of the Exploration Period, or extension thereof pursuant to Section 3.4 or Section 3.5, the CONTRACTOR shall subject to Section 13, for Natural Gas, notify and report to MOGE whether the Discovery Area contains a Commercial Discovery. Such report shall include all relevant technical and economic data relating thereto.

7.8 For the purposes of this Section 7, the CONTRACTOR shall make a determination as to whether a Discovery is a Commercial Discovery on the basis of whether that Discovery can be produced commercially after consideration of pertinent operating and financial data collected during the performance of the Appraisal Programme and otherwise, including but not limited to Crude Oil and / or Natural Gas recoverable reserves, sustainable production levels and other relevant technical and economic factors, market availability, the basic Natural Gas pricing principles prevailing internationally, taking in consideration such factors as market, quality and quantity of the Natural Gas according to generally accepted internationally petroleum industry practices and the applicable laws of Myanmar and the provisions of this Contract.

SECTION 8

DEVELOPMENT AND PRODUCTION

8.1 At any time prior to the expiration of the Exploration Period, CONTRACTOR may notify MOGE in writing that CONTRACTOR has made a Commercial Discovery and furnish a map describing an area believed by CONTRACTOR to contain the Commercial Discovery ("Discovery Area"). If the CONTRACTOR reports that a Discovery is a Commercial Discovery under Section 7.7, a Development Plan shall be prepared by the CONTRACTOR and submitted to the MOGE as soon as is practicable after the completion of the Appraisal Work Programme.

8.2 The Development Plan shall be prepared on the basis of sound engineering and economic principles in accordance with generally accepted international petroleum industry practices and shall be designed to ensure that the Petroleum deposits do not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure and shall adopt the optimum economic well spacing appropriate for the development of those Petroleum deposits.

8.3 The Development Plan shall contain:

a) Details and the extent of the proposed Development and Production Area relating to the Commercial Discovery, which area shall correspond to the geographical extension of the Commercial Discovery plus a reasonable margin, and shall be designated as the Development and Production Area for the Commercial Discovery concerned. Once designated, a Development and Production Area shall extend to all depths within lateral boundaries.

b) Proposals relating to the spacing, drilling and completion of wells, the production and storage installations and the transportation and delivery facilities required for the production, storage and transportation of Petroleum within and outside of the Contract Area. In the event that pipeline and/or other transportation facilities for the transportation and delivery of Petroleum outside the Development and Production Area are contemplated by the CONTRACTOR, the Development Plan may provide:

i) For financing and construction of the pipeline and/or other transportation facilities.

ii) For the payment of transportation tariffs by the users of the facilities which are based upon the costs of financing, constructing, operating and maintaining the pipeline and / or other transportation facilities, including depreciation thereof, any applicable taxes, and a reasonable return on investment.

iii) For the ownership, financing and construction of pipeline and/or transportation facilities under a separate contract between the Parties, and in the event of such a proposal, the ownership, financing and construction of such pipeline and / or transportation facilities under such separate contract shall be as mutually agreed. The execution of a separate contract by the Parties for the ownership, financing and construction of pipeline and / or transportation facilities outside the Development and Production Area shall not amend, abridge, limit or otherwise modify the Parties' respective rights and obligations under this Contract, unless otherwise expressly agreed.

c) Proposals relating to necessary infrastructure investments and employment of Myanmar nationals, and use of Myanmar materials, products and services shall be made in accordance with Section 17.2 herein.

d) A production forecast and an estimate of the investment and expenses involved.

e) An estimate of the time required to complete each phase of the Development Plan.

8.4 MOGE may require the CONTRACTOR to provide within thirty (30) days of receipt of the Development Plan such further information as is readily available and as MOGE may reasonably need to evaluate the Development Plan for any Development and Production Area.

8.5 If MOGE does not request in writing any changes to the Development Plan within ninety (90) days after receipt thereof, the plan shall be deemed approved and adopted by MOGE.

8.6 If MOGE requests any changes to the Development Plan within such ninety (90) days provided in Section 8.5, then the CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Development Plan. Revision to the Development Plan, agreed within a further period of ninety (90) days shall be incorporated in a revised plan which shall then be deemed approved and adopted.

8.7 After the Development Plan has been adopted, the CONTRACTOR shall submit to MOGE for discussion ninety (90) days before the end of each subsequent Financial Year a detailed statement of the Development Work Programme and Budget for such subsequent Financial Year, and, for the first full Financial Year and the portion of the Calendar Year preceding the first full Financial Year, a detailed statement of the Development Work Programme and Budget thereof shall be submitted within ninety (90) days after the date of adoption of the Development Plan under Section 8.5. Each such annual detailed statement of the Development Work Programme and Budget thereof shall be consistent with the Development Plan adopted under Section 8.5 or as revised pursuant to Sections 8.6 and 8.8.

8.8 The CONTRACTOR may at any time submit to MOGE revisions to any Development Plan or Development Work Programme and Budget. These revisions shall be consistent with the provisions of Section 8.2 and shall be subject to the approval procedure set forth in Sections 8.5 and 8.6.

8.9 The CONTRACTOR shall commence Development and Production Operations not later than three (3) months after the date of adoption of the Development Plan under Section 8.5 or Section 8.6.

8.10 Where MOGE and the CONTRACTOR agree that a mutual economic benefit can be achieved by constructing and operating common facilities (including, but not limited to, offshore production and processing structures, pipelines and other transportation, communication and storage facilities and value added downstream plants), the CONTRACTOR shall use its reasonable efforts to reach agreement with other producers and MOGE on the construction and operation of such common facilities, investment recovery and charges to be paid.

8.11 If, subsequent to the designation of a Development and Production Area, the extent of the area encompassing the Commercial Discovery or another such area over or underlying it is reasonably expected to be greater than the designation in the Development Plan under Section 8.3, the Development Area shall be enlarged accordingly, provided that the area covered shall be entirely within the original Contract Area designated in Section 1.14 (a) or, otherwise, not being yet awarded to any person other than MOGE.

SECTION 9

COST RECOVERY AND PROFIT PETROLEUM ALLOCATION

9.1 Subject to the provisions of Section 8.3 (b) referring to the financing and construction of the pipeline and/or other transportation facilities, CONTRACTOR, including MOGE pursuant to Section 19, shall provide all funds required to conduct Petroleum Operations under this Contract and may recover its costs and expenses only out of Cost Petroleum in the manner and to the extent permitted under Section 9.4. CONTRACTOR shall have the right to use free of charge Petroleum produced from the Contract Area to the extent it considers necessary for Petroleum Operations under this Contract.

9.2 Petroleum produced and saved and not used in Petroleum Operations (hereinafter referred to as "Available Petroleum" or "Available Crude Oil" or "Available Natural Gas" as may be applicable) shall be measured at the Delivery Point and allocated as set forth in Section 9.7.

9.3 CONTRACTOR may take such portion of Available Petroleum from the Contract Area as is necessary to discharge CONTRACTOR's obligations to pay the Royalty specified in Section 10.

9.4 CONTRACTOR shall recover all Petroleum Costs in accordance with Annexure "C" in respect of all Petroleum Operations hereunder to the extent of fifty percent (50%) per Quarter of all Available Petroleum from the Contract Area, provided, however, that in the event a Development and Production Area contains within its boundaries any well, equipment or facilities at a location (on or below the water surface or seabed) the water depth of which is more than 600 feet, then Petroleum Costs in respect of all Petroleum Operations in such Development and Production Area shall be recovered to the extent of sixty percent (60%) per Quarter of all Available Petroleum from such Development and Production Area and provided further, that (a) all costs and expenses of Development and Production Operations (inclusive of pipeline cost to move Crude Oil and / or Natural Gas to the Delivery Point for sale or transfer of ownership) in respect of any Development and Production Area shall be recoverable from Available Petroleum produced from any Development and Production Area, and (b) that all costs and expenses of Exploration Operations carried out in the Contract Area shall be recoverable from Available Petroleum produced from any Development and Production Area. Such Petroleum Costs shall be recovered out of Cost Petroleum in the later part of the Quarter in which such expenditures are incurred or in the Quarter in which Commencement of Commercial Production first occurs within the Contract Area.

9.5 To the extent that costs or expenses recoverable in a Quarter under Section 9.4 exceed the value of all Cost Petroleum from the Contract Area for such Quarter, the excess shall be carried forward for recovery in the next succeeding Quarter thereafter until fully recovered, but in no case after termination of this Contract.

9.6 The Petroleum valuation provisions of Section 12 shall be used for determining the value and quantity of Cost Petroleum by CONTRACTOR according to the incremental scale of Sections 9.4 and 9.5, based on average daily production over the Quarter from the relevant Development and Production Area.

9.7 With respect to each Development and Production Area, Available Petroleum not taken for purpose of payment of the Royalty under Section 10 nor taken as Cost Petroleum, as described in Sections 9.4 and 9.5, shall be "Profit Petroleum" in a Quarter and shall be allocated between MOGE and CONTRACTOR according to the following incremental scale, based on average daily production over the Quarter from the relevant Development and Production Area.

a) Available ***Crude Oil*** for water depths of 600 feet or less:

Barrels per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	80	20
100,001 – 150,000	85	15
> 150,000	90	10

b) Available ***Natural Gas*** for water depths of 600 feet or less:

Million Cubic Feet per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0– 300	65	35
301 – 600	75	25
601 – 900	85	15
> 900	90	10

c) Available ***Crude Oil*** for water depths more than 600 feet:

Barrels per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	75	25
100,001 – 150,000	80	20
> 150,000	85	15

d) Available ***Natural Gas*** for water depths more than 600 feet:

Million Cubic Feet per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 300	60	40
301 – 600	70	30
601– 900	80	20
>900	90	10

9.8 a) Subject to its obligations under Section 14, CONTRACTOR shall receive for each Quarter at the Delivery Point and, may separately dispose of, Crude Oil to which it is entitled pursuant to Section 9.4 plus its share in Profit Petroleum as stipulated in Section 9.7. Title and risk of loss shall pass to the buyer/recipient at such Delivery Point.

b) Natural Gas will be disposed of pursuant to the provisions of Section 13 and Section 14.

c) Each Party shall be responsible for the costs, incurred in disposing of its entitlement of Petroleum beyond the Delivery Point.

9.9 CONTRACTOR shall conduct a review of production programme prior to the Commencement of Commercial Production from any Development and Production Area and shall establish production at the maximum efficient rate needed to achieve the maximum ultimate economic recovery of Petroleum from that Development and Production Area in accordance with generally accepted standards of the international petroleum industry.

9.10 At least one hundred and eighty (180) days prior to Commencement of Commercial Production from a Development and Production Area, MOGE and CONTRACTOR shall agree on a procedure for lifting of their respective entitlements of Crude Oil, such procedure to contain reasonable provisions for under lift and over lift and for each Party to have the right to accumulate and lift economic sized cargoes.

9.11 The provision regarding payment of Income Tax imposed upon CONTRACTOR under the applicable provisions of the Income Tax Laws of the Republic of the Union of Myanmar shall be applied as follows:

a) CONTRACTOR shall be subject to the Myanmar Income Tax Laws and shall comply with requirements of the Myanmar Income Tax Law in particular with respect to filing of returns, assessment of tax, keeping and showing of books and records.

b) CONTRACTOR's annual taxable income for Myanmar Income Tax purposes shall be an amount equal to the CONTRACTOR's net income attributable to the Profit Petroleum allocated to the CONTRACTOR pursuant to Section 9.7 as adjusted for all other expenditures that may not be cost recoverable, but that are by reason of being normal business expenditures, deductible under the Income Tax Laws of the Republic of the Union of Myanmar. It is understood by both Parties that for purpose of determining net taxable income, CONTRACTOR shall also be allowed to deduct all legitimate and reasonable expenses incurred for the purpose of earning income under the existing provisions of the Myanmar Income Tax Law. Such expenses include but are not limited to:

i) interest incurred by CONTRACTOR to finance the Petroleum Operations (to the extent not cost recoverable); and

ii) production bonuses paid by CONTRACTOR pursuant to Section 11; and

c) The CONTRACTOR shall pay Myanmar Income Tax on the annual net taxable income as defined in Section 9.11 (b) above, in accordance with the provisions of the Income Tax Laws of the Republic of the Union of Myanmar and subject to the entitlements under the provisions of the Foreign Investment Law.

d) MOGE shall assist the CONTRACTOR to obtain proper official receipts evidencing the payment for CONTRACTOR's Myanmar Income Tax. Such receipts shall be issued by a duly constituted authority for the collection of Myanmar Income Taxes and shall state the amount and other particulars customary for such receipts. Provisional receipts shall be issued within ninety (90) days following the commencement of the next ensuing Financial Year and final receipt shall be issued not later than ninety (90) days after provisional receipts have been issued.

e) As used herein, Myanmar Income Tax shall be inclusive of all taxes on income payable to the Republic of the Union of Myanmar.

SECTION 10

ROYALTY

10.1 Royalty shall be paid in whole or in part, in cash or in kind, at the option of the Government, as provided in this Section 10.

10.2 In the absence of an election on the part of the Government to take Royalty in kind, Royalty accruing during a Quarter shall be paid in cash within thirty (30) days after the end of that Quarter. CONTRACTOR shall pay to the Government a Royalty equal to twelve point five percent (12.5%) of the value of Available Petroleum from the Contract Area, determined in accordance with Section 12, and adjusted by deducting an amount equal to the cost of transportation from the Delivery Point to the usual point of export.

10.3 CONTRACTOR shall be given at least one hundred and eighty (180) days prior notice of an election by the Government to take Royalty in kind and such option shall be effective for a minimum period of one (1) year. Unless otherwise agreed by the Government and CONTRACTOR, if the Government elects to take Royalty in kind, twelve point five percent (12.5%) of the Available Petroleum shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules. A lifting and nomination procedure will be agreed upon to effect regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules.

10.4 Royalty shall not be recoverable from Cost Petroleum.

SECTION 11

DATA FEE AND BONUSES

11.1 Data Fee

CONTRACTOR shall, within thirty (30) days after the Commencement of the Operation Date, pay to MOGE the sum of U.S. Dollars Three Hundred and Fifty Thousand (US$ 350,000) as Data Fee for data and information referred to in Section 2.4. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9 but tax deductible pursuant to Section 9.11.

11.2 Signature Bonus

Provided CONTRACTOR does not exercise its right to terminate this Contract pursuant to Section 3.4, CONTRACTOR shall, within thirty (30) days after entering into the Initial Exploration Period, pay to MOGE the sum of U.S. Dollars Five Million and One Hundred Thousand (US$ 5,100,000) as a Signature Bonus. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9.

11.3 Production Bonus - Crude Oil

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Crude Oil Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Crude Oil.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Twenty Five Thousand (25,000) Barrels per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Fifty Thousand (50,000) Barrels per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred Thousand (100,000) Barrels per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Thousand (150,000) Barrels per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Two Hundred Thousand (200,000) Barrels per day.

11.4 Production Bonus – Natural Gas

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Natural Gas Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Natural Gas.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Million Cubic Feet (150,000,000 ft^3) per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Three Hundred Million Cubic Feet (300,000,000 ft^3) per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Six Hundred Million Cubic Feet (600,000,000 ft^3) per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Seven Hundred and Fifty Million Cubic Feet (750,000,000 ft^3) per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Nine Hundred Million Cubic Feet (900,000,000 ft^3) per day.

11.5 Production Bonuses paid in accordance with Section 11.3 and 11.4 shall not be recoverable from Cost Petroleum.

SECTION 12

VALUATION OF PETROLEUM

12.1 Terms used in this Section shall have the following meanings:

a) "Arms Length Sales" means sales on the international market in freely convertible currencies between willing and unrelated sellers and buyers, excluding sales between Affiliates, sales between governments or government owned entities, sales affected by other commercial relationships between seller and buyer, transactions involving barter, and more generally any transactions motivated wholly or partly by considerations other than the usual commercial incentives.

b) "Reference Crude" means Crude Oil(s) produced in Asia which is/are of comparable gravity and quality to the Crude Oil valued hereunder. The appropriate Crude Oil(s) comprising Reference Crude shall be selected and agreed by MOGE and CONTRACTOR at least one hundred and eighty (180) days prior to Commencement of Commercial Production from any Development and Production Area.

c) "Reference Crude Price" means the average Free on Board ("FOB") point of export spot price for Reference Crude during the relevant time period as quoted in Platt's Oilgram Price Report or such other publication as MOGE and CONTRACTOR may agree, adjusted as necessary to exclude non-Arms Length Sales and to reflect thirty (30) days payment terms and differences in gravity and quality between the Reference Crude and the Crude Oil being valued hereunder.

d) "Transportation Cost" means the transportation cost determined by reference to the Average Freight Rate Assessment ("AFRA") last published by the London Tanker Broker and Association, or such other published Crude Oil freight rate as MOGE and CONTRACTOR may agree, applicable to voyages between the points specified, using vessels of appropriate size.

12.2 For the purpose of Section 9 and Section 10, a U.S. Dollar value per Barrel of Crude Oil shall be determined each Quarter. Such value shall be the Fair Market Value determined and defined in accordance with Section 12.3.

12.3 The Fair Market Value shall be the volume-weighted average of:

a) the price actually received by CONTRACTOR during the relevant Quarter in Arms Length Sales, if any, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms, and

b) the Reference Crude Price applicable for Crude Oil sold by CONTRACTOR during the relevant Quarter in non Arms Length Sales, adjusted to a Yangon point of export basis by adding the Transportation Cost of the Reference

Crude from its point of export to the market in which Myanmar Crude Oil would normally be sold and subtracting the Transportation Cost from Yangon to the market in which Myanmar Crude Oil would normally be sold.

12.4 Within twenty (20) days following the end of each Quarter, CONTRACTOR shall determine Crude Oil value in accordance with this Section and shall notify MOGE. Unless within twenty (20) days after receipt of such notice MOGE notifies CONTRACTOR that it does not agree with CONTRACTOR's determination and specifies in such notice the basis for such disagreement, the CONTRACTOR's determination shall conclusively be deemed to have been accepted. For Crude Oil Sales overlapping Quarters, a reconciliation mechanism shall be provided within the lifting procedure to be agreed upon as provided in Section 9.10.

12.5 In the event MOGE shall have timely notified CONTRACTOR, within the above described twenty (20) day period that it disagrees with CONTRACTOR's determination of Crude Oil value, MOGE and CONTRACTOR shall meet to discuss the CONTRACTOR's determination. Should MOGE and the CONTRACTOR fail to reach agreement on the Crude Oil value within seventy-five (75) days after the end of the Quarter in question, either Party may submit the value determination (and the selection of the Crude Oil to comprise Reference Crude if not previously agreed) to a panel of arbitrator in accordance with the provisions of Section 22.

12.6 The allocation of Crude Oil for Section 9, Section 10 and Section 14 shall be based on the value last determined or in the event of a dispute pursuant to Section 12.5, the average of the value determined by CONTRACTOR and the value proposed by MOGE. When a new value is determined, that value shall be applied retroactively for the Quarter in which the sales used in the determination occurred and appropriate adjustments shall then be made in the allocations of the Parties to reflect the retrospective application of the new Crude Oil value.

12.7 Natural Gas produced and sold during a Quarter shall be valued at the price realized by CONTRACTOR.

SECTION 13

NATURAL GAS

13.1 Any Natural Gas produced from the Contract Area, to the extent not used in Petroleum Operations there under, may be flared if the processing or utilization thereof is not economical. Such flaring shall be permitted to the extent that Natural Gas is not required to effectuate the economic recovery of Petroleum by secondary recovery operations, including repressuring and recycling.

13.2 In the event, however, CONTRACTOR considers that the processing and utilization of Natural Gas is not economical, then MOGE may choose to take from the outlet of the producing facilities at no cost to the CONTRACTOR and utilize such Natural Gas, free of charge that would otherwise be flared. All costs and liabilities related to the taking and handling of such gas shall be the exclusive responsibility of MOGE and for its sole account and risk.

13.3 If, upon completion of an Appraisal Programme, CONTRACTOR considers that a Discovery of Natural Gas is significant but not then economical for development but may become so within seven (7) years, it may, without prejudice to the relinquishment provisions under Section 4 and the notice provisions under Section 7 with respect to the remainder of the Contract Area, retain the Discovery Area and at any time within such seven (7) year period re-evaluate the economic viability of development and declare a Commercial Discovery. MOGE and CONTRACTOR shall jointly make every effort to establish an economically viable gas project based on the Discovery and shall negotiate appropriate terms for such a project. Multiple extensions of one (1) year each shall be made available to CONTRACTOR if justified by market conditions. MOGE approval for such extensions shall not be unreasonably denied. CONTRACTOR shall relinquish such Discovery Area upon request of MOGE if a Development Plan has not been proposed within the seven (7) year period of retention or during any extension granted.

SECTION 14

DOMESTIC CRUDE OIL AND NATURAL GAS REQUIREMENT

14.1 The CONTRACTOR including MOGE pursuant to Section 19, shall after the Commencement of Commercial Production of Crude Oil, fulfill its obligation toward the supply of the domestic Crude Oil market in Myanmar by making a share of its entitlement of Crude Oil available to MOGE. CONTRACTOR's obligatory share of the domestic market obligation will be twenty percent (20%) of the Crude Oil allocated to CONTRACTOR under Section 9.7. The price MOGE will pay CONTRACTOR for such Crude Oil shall be the equivalent of 90% of Fair Market Values as determined in accordance with Section 12 hereof, in US Dollars. Should the Government require amounts of Crude Oil in excess of that obligatory limit required to satisfy CONTRACTOR's domestic market obligation, the price shall be the value of Crude Oil as determined in accordance with Section 12 hereof, and the currency of payment shall be US Dollars. The CONTRACTOR shall be advised in writing by MOGE not less than ninety (90) days prior to the commencement of the deliveries. Notwithstanding the above CONTRACTOR's obligation shall not exceed the extent to which the Government shall make available U.S. Dollars which may be remitted abroad in payment of such excess Crude Oil.

14.2 CONTRACTOR shall receive payment for Crude Oil sold to MOGE pursuant to this Section 14 within forty five (45) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE. In the event CONTRACTOR has not received payment within such forty five (45) day period, CONTRACTOR shall be entitled to interest, compounded monthly at LIBOR plus three percent (3%) on all unpaid amounts commencing on the forty sixth (46th) day. As used herein, LIBOR means the average interbank offered rate for one (1) month U.S. Dollar deposits in the London market, as reported in the Wall Street Journal (New York edition) or if not published, then in the Financial Times of London, on the date the interest commences to accrue.

14.3 If CONTRACTOR has not received payment within ninety (90) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE pursuant to this Section 14, the CONTRACTOR's obligation to deliver Crude Oil pursuant to Sections 9 and 10, may, at CONTRACTOR's exclusive option, be suspended until such time as all payment (including interest) that are more than ninety (90) days past due are received. In order to collect past due amount, CONTRACTOR shall also have the right to lift and freely export relevant quantities of Crude Oil out of Royalty taken under Section 10 and MOGE's entitlement of Crude Oil under Sections 9.4 and 9.7, the value of which under Section 12 equals the amount owed by MOGE to CONTRACTOR, including accrued interest.

14.4 The provisions of Sections 14.1, 14.2 and 14.3 shall apply, mutatis mutandis, to the production of Natural Gas, provided, however that CONTRACTOR's

obligatory share of the domestic market obligation will be twenty-five percent (25%) of the Natural Gas allocated to CONTRACTOR under Section 9.7.

14.5 Notwithstanding the above,

(a) CONTRACTOR shall give priority to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar. If downstream industries in Myanmar cannot utilize the discovered Natural Gas and/or Crude Oil, CONTRACTOR can freely dispose of in consultation and on agreement with MOGE.

(b) In the event, CONTRACTOR considers that the Commercial Discovery is economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR will use its utmost efforts to utilize the Natural Gas and/or Crude Oil in order to produce Value Added Petroleum Downstream Products as soon as possible in consultation with MOGE under separate contract.

(c) In the event, MOGE and CONTRACTOR consider that the Commercial Discovery is not economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR shall have the right during the term hereof to freely dispose of and export or sell domestically its share of Natural Gas and/or Crude Oil and retain abroad the proceeds obtained therefrom.

SECTION 15

EMPLOYMENT AND TRAINING

15.1 In conducting Petroleum Operations hereunder, CONTRACTOR shall select its employees and determine the number thereof. CONTRACTOR shall endeavor to employ qualified Myanmar citizens in accordance with the Foreign Investment Law, rules and regulation of the Republic of the Union of Myanmar. In doing so, CONTRACTOR shall submit a staffing plan for the Development and Production Operations at all levels up to the management level. The employment of Myanmar nationals shall be reviewed from time to time by the Management Committee.

15.2 CONTRACTOR shall spend a minimum of U.S. Dollars Fifty Thousand (US$ 50,000) per Contract Year during the Exploration Period of this Contract for one or more of the following purposes:

a) the purchase for MOGE of advanced technical literature, data and scientific instruments;

b) to send qualified Myanmar nationals to selected accredited universities; and

c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

15.3 Starting with the first Contract Year commencing after the commencement of the Development and Production Period for the first Development and Production Area, CONTRACTOR's minimum expenditure commitment under this Section shall be increased to U.S. Dollars One Hundred Thousand (US$ 100,000) per Contract Year.

15.4 The expenditure of sums for the purposes specified above shall be spent in consulting with MOGE.

15.5 If training expenditures fall short of the minimum training expenditure obligations for a year, the deficiency shall be carried forward and expended in succeeding years. If training expenditures in any Contract Year exceed the minimum training expenditure obligation for that Contract Year the excess shall be credited to the training expenditure obligations for succeeding Contract Years.

15.6 All expenditures made pursuant to this Section 15 relating to training and education, including any payments made to MOGE pursuant to Section 15.7, shall be fully recoverable from Cost Petroleum pursuant to Section 9.

15.7 The CONTRACTOR shall establish a research & development fund in the sum of zero point five (0.5) percentage of its share of Profit Petroleum and the expenditure of this fund will be determined in consultation with MOGE and shall be cost recoverable under Section 9.

SECTION 16

TITLE OF ASSETS

16.1 CONTRACTOR's physical assets which are acquired for purposes of the Petroleum Operations shall become the property of MOGE and shall be cost recoverable by CONTRACTOR pursuant to Section 9, upon importation into Myanmar or upon acquisition in Myanmar. Data, information, reports and samples acquired or prepared by CONTRACTOR for the Petroleum Operations shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9 when acquired or prepared.

16.2 The physical assets, referred to in Section 16.1 shall remain in the custody of CONTRACTOR during the term of this Contract and CONTRACTOR shall have the unrestricted and exclusive right to use such assets in the Petroleum Operations free of charge subject to the provisions of Section 17. CONTRACTOR may retain and freely use, within or outside Myanmar, copies of all data, information and reports and representative portions of all samples, including but not limited to geologic, core, cutting and Petroleum samples.

16.3 The provisions of Section 16.1 shall not apply to assets rented or leased by CONTRACTOR or its Affiliates; nor to assets owned by CONTRACTOR's contractor, subcontractors, its / their Affiliates or other parties.

16.4 For the purpose of this Section, in the event of the replacement or transfer of the motor vehicles used by CONTRACTOR in Petroleum Operations, occurs during the term of this Contract or the expiration or termination of this Contract, CONTRACTOR shall hand-over or transfer such motor vehicles to MOGE in good condition and running status.

SECTION 17

RIGHTS AND OBLIGATIONS OF MOGE AND CONTRACTOR

17.1 MOGE shall:

a) have and be responsible for the management of the operations contemplated hereunder, however MOGE shall assist and consult with CONTRACTOR with a view to the fact that CONTRACTOR is responsible for the execution of the Work Program;

b) i) except as provided in Section 17.2 (c) and 17.2 (d) below, and in Section 9.11, assume and discharge all Myanmar's taxes imposed upon CONTRACTOR, its contractors and subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum, including import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contractors for Petroleum Operations;

ii) assume and discharge all exactions applicable under the laws of the Republic of the Union of Myanmar in respect of property, capital, net worth and operations, including any tax imposed upon goods procured domestically, sales, gross receipts or transfers of property, or any levy on or in connection with operations performed hereunder by CONTRACTOR, its contractors or its subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum;

iii) not be obliged to pay taxes on tobacco, liquor, and other taxes charged on goods and services, import and export duties, customs duties and sales tax and any other tax levied upon articles imported for personal use by the CONTRACTOR, its contractors and sub-contractors employees engaged in Petroleum Operations under this Contract;

c) assist and expedite CONTRACTOR's execution of the Work Programme by providing at cost facilities supplies and personnel including, but not limited to, supplying or making available all necessary visas, work permits, transportation, security protection and rights of way and easements as may be requested by CONTRACTOR and made available from the resources under MOGE's control. In the event such facilities, supplies, or personnel are not readily available, then MOGE shall promptly secure the use of such facilities, supplies and personnel from alternative sources. Expenses thus incurred by MOGE at CONTRACTOR's request shall be reimbursed to MOGE by CONTRACTOR and included in the Petroleum Cost. Such reimbursements will be made in U.S. Dollars computed at the prevailing

market rate through authorized dealer bank at the time the expenses were incurred;

d) have title to all original data resulting from the Petroleum Operations including but not limited to geological, geophysical, petrophysical and engineering data, well logs and completion status reports and any other data as CONTRACTOR may compile during the term hereof for which CONTRACTOR is entitled to retain copies;

e) to the extent that it does not interfere with CONTRACTOR's performance of the Petroleum Operations reasonable use of equipment which becomes its property by virtue of this Contract solely for the Petroleum Operations or for any alternative purpose, provided that approval of CONTRACTOR is first obtained;

f) have the right to consult with CONTRACTOR regarding the immediate removal and replacement of any of the CONTRACTOR's employees at the cost of the CONTRACTOR, if in the consideration of MOGE the employee is incompetent in his work and/or unacceptable to MOGE by reason of his acts or behavior;

g) take best efforts to assist CONTRACTOR to obtain all the permits, clearances, licenses and approvals necessary for the performance of this Contract in Myanmar pursuant to Section 5.1;

h) appoint its authorized representative with respect to this Contract; and

i) assist CONTRACTOR by taking such measures as may be requested by CONTRACTOR to avoid double taxation so that CONTRACTOR's income taxes are creditable for income tax purpose, provided that such request is consistent with the laws of Myanmar.

17.2 CONTRACTOR shall;

a) furnish all funds as may be necessary for the entire Petroleum Operations executed pursuant to this Contract;

b) be responsible to conduct Petroleum Operation in accordance with the good international petroleum industry practices.

c) be responsible to withhold and pay the withholding tax for the payments made for goods and services and the appropriate authorities income tax from payments made to its expatriate employees to the extent required to do so under the Income Tax Law of the Republic of the Union of Myanmar and require CONTRACTOR's contractors and subcontractors to withhold and pay such income tax payments;

d) be responsible to pay to appropriate authorities import duties, customs duties, sales tax and other duties levied on motor vehicles brought into Myanmar for personnel use and not for field use by CONTRACTOR, its

contractors and sub-contractors, in addition, except as provided in Section 17.1(b) above, be responsible to pay to appropriate authorities import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contracts for Petroleum Operation during the period from the date which the CONTRACTOR commences the sales and purchase of Petroleum produced hereunder to the date of termination occurs under Section 25 hereof. The cost and expenses incurred shall be Cost Recoverable as Petroleum Costs under Section 9.4;

e) be responsible for execution of Work Programme which shall be implemented in a work-man like manner and CONTRACTOR shall take such precautions for protection of navigation and fishing and CONTRACTOR shall be responsible to conduct Petroleum Operations in accordance with the applicable provisions of the International Financing Corporation Performance Standards (2012), the World Bank Group Environmental, Health and Safety Guidelines for Offshore Oil & Gas Development (2007), good international petroleum industry practices and the laws, regulations and directives of the Republic of the Union of Myanmar with respect to Environmental and social protection oil mitigation. The steps to carry out these obligations shall be instituted into the Work programmed. It is also understood that the execution of the Work Programme shall be exercised so as not to conflict with the laws of the Republic of the Union of Myanmar as they exist as of the Effective Date;

f) be responsible to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar as priority referred to in Section 14.5.

g) be entitled to import CONTRACTOR's physical assets on Investment Basis as well as import CONTRACTOR's leased property, property of its contractors and its subcontractors on Drawback Basis;

h) be entitled to export all property which are imported on Drawback Basis;

i) have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, benefits or interests under this Contract to an Affiliate or with the prior written consent of MOGE to other third parties; the consent by MOGE on this matter shall not be unreasonably withheld;

Provided that notwithstanding anything contained elsewhere in the Contract, CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer to a non-Affiliate other than MOGE of the interests under this Contract or of the shares in the Company, registered under Section 5.1.

(1)	If the amount of Net Profit arising from the said sale or transfer is up to and including US$100 million	40%

(2)	If the amount of Net Profit arising from the said sale or transfer is above US$100 million and up to and including US$150 million	45%
(3)	If the amount of Net Profit arising from the said sale or transfer is over US$150 million	50%

j) have the right of access to and from the Contract Area and to and from facilities wherever located at all times;

k) after entering the Initial Exploration Period, submit to MOGE daily drilling reports (where applicable) and weekly and monthly progress reports;

l) submit to MOGE copies of all such original geological, geophysical, drilling, well, production and any other data and reports, including interpretive reports, relating to the Contract Area as it may compile during the term hereof;

m) as required under Section 15, prepare and carry out plans and programmes for industrial training and education of Myanmar nationals selected by MOGE from its staff for all job classifications with respect to operations contemplated hereunder;

n) appoint authorized representative for Myanmar with respect to this Contract, who shall have an office in Yangon.Such representative shall represent CONTRACTOR in the conduct of Petroleum Operations hereunder;

o) unavoidably give preference to and require its contractors and subcontractors to give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;

p) unavoidably execute Petroleum Operations in accordance with the Work Programme utilizing twenty-five (25) percent of the approved Budget for each Financial Year for goods and services that are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required, subject to the approval of MOGE unless otherwise agreed upon by both parties;

q) procure such goods and services for the execution of the Work Programme through international tender procedures approved by MOGE unless otherwise agreed upon by both Parties;

r) allow duly authorized representatives of MOGE to have reasonable access to the Contract Area and to the operations conducted thereon. Such representatives may examine data, books, register and records of CONTRACTOR, and make a reasonable number of surveys, drawings and

tests for the purpose of enforcing this Contract. They shall, for such purpose, be entitled to make reasonable use of machinery and instruments of the CONTRACTOR. Each Party shall assume responsibility for the safety of its employees and representatives except in the case of gross negligence or willful misconduct of the other Party. Such representatives shall be given reasonable assistance by the agents and employees of the CONTRACTOR so that none of their activities shall endanger or hinder the safety or efficiency of the operations. The CONTRACTOR shall offer such representatives all privileges and facilities accorded to its own employees in the Contract Area and shall provide them, free of charge, the temporary use of reasonable office space while they are in the Contract Area and transportation facilities for them to and from the Contract Area for the purpose of facilitating the objectives of this Section;

s) have the right to use and have access to and MOGE shall furnish all geological, geophysical, drilling, well production and other information held by MOGE or by any other governmental agency or enterprise, relating to the Contract Area including but not limited to well location maps;

t) have the right to use and have access to and MOGE shall make available so far as possible, all geological, geophysical drilling, well production and other information now or in the future held by it or by any other governmental agency or enterprise relating to the areas adjacent to the Contract Area;

u) shall employ safety precautions and safe working practices during the Petroleum Operations as are consistent with international petroleum practices;

v) prior to the Petroleum Operations commencement date nominate a person to act as the safety officer of CONTRACTOR who shall be the representative directly responsible for enforcing CONTRACTOR's safety rules;

w) not be liable to MOGE or the Government for special, indirect or consequential damages resulting from or arising out of the Petroleum Operations, including without limitation, loss of profit business interruption or the inability to produce Petroleum;

x) subject to Section 17.2 (q), have the right to freely import all materials, equipment and supplies required in connection with the performance of the Petroleum Operations;

y) require its contractors and sub-contractors to :

    i) export from the Republic of the Union of Myanmar all materials equipment and supplies (other than those consumed in the operations) within four (4) months from the expiration or termination date of the contract under which such materials, equipment and supplies were imported; and

ii) be responsible for all such taxes and duties attributable to such items not exported within such four (4) month period;

z) establish an office within Myanmar to coordinate the operations to be conducted within the Contract Area;

aa) CONTRACTOR and its personnel, while in Myanmar, shall respect and abide by all laws and regulations of Myanmar, and shall refrain from interfering in the internal affairs of the Republic of the Union of Myanmar;

bb) be responsible to conduct environmental impact assessment (EIA) and social impact assessment (SIA) and to development of Environmental Management Plan (EMP) and implementation for the environmental protection and management in the Contract Area in accordance with the laws, rules, regulations, directive and notifications of the Republic of the Union of Myanmar in conformity with international petroleum industry's practices with respect to the environment protection and mitigation;

cc) collaborate with MOGE to implement the Extractive Industries Transparency Initiative;

dd) expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the code of conduct of each CONTRACTOR Party; and

ee) after the expiration or termination of this Contract, or relinquishment of part of the Contract Area, or abandonment of any field, prearrange to remove all equipment and installations from the area in a manner acceptable to MOGE, and perform all necessary site restoration activities in accordance with the applicable rules and regulations of the Government of the Republic of the Union of Myanmar and international petroleum industry practices to prevent hazards to human life and property of others or environment. Abandonment costs shall be recoverable from Cost Petroleum under Section 9.

SECTION 18

MANAGEMENT COMMITTEE

18.1 MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programmes. For the purpose of the proper implementation of this Contract, the Parties shall establish a Management Committee ("**Management Committee**") within forty-five (45) days from the Commencement of the Operation Date. The Management Committee shall have overall supervision and management of Petroleum Operations including approved Works Programmes and Budgets. The duties and responsibilities of the Management Committee shall be as prescribed in Annexure "E".

SECTION 19

STATE PARTICIPATION

19.1 MOGE shall have the right to demand from CONTRACTOR that up to twenty percent (20%) undivided interest in the total rights and obligations under this Contract be offered after Commercial Discovery. MOGE shall have the option to increase the undivided interest in the total rights and obligations under this Contract up to twenty five percent (25%) if the reserve is greater than five (5) trillion cubic feet on Barrels of Oil Equivalent (BOE) basis.

19.2 The right referred to in Section 19.1 shall lapse unless exercised by MOGE not later than ninety (90) days after CONTRACTOR's notification by registered letter to MOGE of its first Discovery of Petroleum in the Contract Area, which in the judgment of CONTRACTOR after consultation with MOGE can be produced commercially. MOGE shall make its demand known to CONTRACTOR by registered letter.

19.3 CONTRACTOR shall make its offer by registered letter to MOGE within thirty (30) days after receipt of MOGE's registered letter referred to in Section 19.2. CONTRACTOR's letter shall be accompanied by a copy of this Contract and a Draft Operating Agreement embodying the manner in which CONTRACTOR and the MOGE shall cooperate. The main principles of the Draft Operating Agreement are contained in Annexure "F" to this Contract.

19.4 The offer by CONTRACTOR to the MOGE shall be effective for a period of one hundred and eighty (180) days. If MOGE has not accepted this offer by registered letter to CONTRACTOR within the said period, CONTRACTOR shall be released from the obligation referred to in this Section.

19.5 In the event of acceptance by MOGE of CONTRACTOR's offer, MOGE shall be deemed to have acquired the undivided interest on the date of CONTRACTOR's notification to MOGE referred to in Section 19.2.

19.6 For the acquisition of an undivided interest in the total of the rights and obligations arising out of this Contract, MOGE shall reimburse CONTRACTOR an amount equal to the percentage interest acquired by MOGE pursuant to Section 19 of the sum of Petroleum Costs which CONTRACTOR has incurred for and on behalf of its activities in the Contract Area as from the Commencement of the Operation Date up to the date of MOGE's notification to CONTRACTOR exercising the rights mentioned in Section 19.1, in addition to the same percentage of Data Fee and the bonuses paid by the CONTRACTOR under Section 11 of this Contract. All costs incurred after such election shall be covered by the Operating Agreement between MOGE and the CONTRACTOR.

19.7 At the option of MOGE, the amount referred to in Section 19.6 shall be reimbursed:

a) either by transfer of the said amount by MOGE within three (3) months after the date of its acceptance of CONTRACTOR's offer referred to in

Section 19.3, to CONTRACTOR's account with the banking institution to be designated by CONTRACTOR in the currency in which the relevant costs have been financed or

b) by way of payment out of production of fifty percent (50%) of MOGE's production entitlements under this Contract (either as MOGE or CONTRACTOR) valued in the manner as described in Section 12 of this Contract commencing on the Commencement of Commercial Production.

19.8 At the time of its acceptance of CONTRACTOR's offer, MOGE shall state whether it wishes to reimburse in cash or out of its production entitlements in the manner indicated in Section 19.7.

19.9 If at any time MOGE wishes to dispose of all or part of its undivided interest, the CONTRACTOR shall have the right to acquire such undivided interest from MOGE on the same terms and conditions as agreed to by MOGE and the proposed transferee. The procedure to be followed will be detailed in the Operating Agreement referred to in Section 19.6.

SECTION 20

FORCE MAJEURE

20.1 In the event Force Majeure hinders, prevents or delays performance of any obligation under this Contract or the performance of any Petroleum Operations planned by CONTRACTOR for the purpose of fulfilling any such obligation:

a) the failure or delay in performance, unless due to non-availability of funds, shall be excused and the affected Party's obligations under the Contract shall be suspended while the Force Majeure continues and for a reasonable time thereafter sufficient for the affected Party to place itself in the same position as immediately prior to the occurrence of Force Majeure, and

b) the period of suspension shall be added to the term of this Contract and all designated deadlines and time periods for making payments and performing Petroleum Operations under the Contract shall be extended accordingly.

20.2 For purposes of this Contract "Force Majeure" means any event beyond the reasonable control of the Party invoking it. By way of illustration only, Force Majeure includes but shall not be limited to strikes, active hostilities or imminent threat of hostilities, blockades, riots, insurrection, fire, epidemics, natural phenomena or calamities, acts of public authorities, acts of God, substantial non-availability of services or equipment, substantial breakdown of equipment and accidents provided always that the foregoing incidents are beyond the reasonable control of the Party invoking Force Majeure.

20.3 The affected Party shall give notice to the other Party as soon as possible stating the cause of the failure or delay in performance. Similarly, it shall give notice as soon as normal conditions are restored.

20.4 The Parties shall take all reasonable measures to remove the cause for such failure or delay in performance and to minimize the consequences of any event of Force Majeure.

20.5 Neither Party shall be entitled to make any claim against the other Party for any expenses incurred due to Force Majeure.

20.6 CONTRACTOR shall have the right to terminate this Contract and shall be discharged from all obligations hereunder, specifically including the obligation to perform the minimum work commitments under Section 5.2 and the obligation to pay any deficiency under Section 5.3, if Force Majeure should continue for a period of at least twenty-four (24) consecutive months.

SECTION 21

GOVERNING LAW, JURISDICTION AND INALIENABLE RIGHTS

21.1 This Contract shall be governed by and construed and interpreted in all respects in accordance with the laws of the Republic of the Union of Myanmar.

21.2 Without prejudice to Section 22.2, the Parties hereby agree to submit to the jurisdiction of the relevant Court of Myanmar and all Courts competent to hear appeals there from.

21.3 Subject to Section 8(b) of the State-owned Economic Enterprises Law 1989, no term or provisions of this Contract, including the agreement of the Parties to submit to Arbitration herein, shall prevent or limit the Government of the Republic of the Union of Myanmar from exercising its inalienable rights on its natural resources.

SECTION 22

CONSULTATION AND ARBITRATION

22.1 Periodically, MOGE and CONTRACTOR shall meet to discuss the conduct of the Petroleum Operations envisaged under this Contract and will make every effort to settle amicably any problem arising there from.

22.2 Any and all disputes, controversies, or claims between the Parties or its Affiliates arising out of or relating to this Contract or the performance, breach, termination, or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said rules, one (1) for the MOGE, one (1) for the CONTRACTOR, the third one to be designated in accordance with the said Rules.

22.3 The place of arbitration shall be Singapore with administration by the Singapore International Arbitration Centre ("SIAC") in accordance with its Practice Note on UNCITRAL cases. The language of the arbitration shall be English.

22.4 In rendering an award, the arbitrators shall take account of the laws of the Republic of the Union of Myanmar.

22.5 The arbitral award shall be final and binding on all Parties on the matter under arbitration save in the event of:

i) fraud;

ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;

iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence; or

iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

In which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules.

Once final, judgment may be entered on the arbitral award by any court of competent jurisdiction.

Each Party agrees that its rights and obligations under this Contract are of a commercial nature. To the extent that a Party may be entitled to claim for itself or any of its assets immunity (whether sovereign or otherwise), each Party waives any claim to immunity in connection with any effort to enforce or execute any order, judgment, award or other remedy.

22.6 Each Party shall continue fully to perform all of its obligations under this Contract, other than those subject to the dispute submitted to arbitration, during the pendency of the determination.

SECTION 23

BANKING

23.1 CONTRACTOR shall supply CONTRACTOR's share of all funds necessary for Petroleum Operations in Myanmar in freely convertible currency from abroad except to the extent that Myanmar currency is generated in connection with the performance of the Petroleum Operations.

23.2 CONTRACTOR in accordance with the Foreign Investment Law and the Foreign Exchange Management Law of the Republic of the Union of Myanmar existing as of the date hereof, shall open and maintain foreign bank accounts in Myanmar at authorized banks and to receive abroad, remit abroad, retain abroad and use the entirety of the foreign exchange proceeds which are received from export and local sales of its share of Petroleum from the Contract Area or which are in any way generated in connection with the performance of the Petroleum Operations.

23.3 CONTRACTOR shall be entitled to purchase Myanmar currency at authorized banks whenever required for the Petroleum Operations and to convert into freely convertible foreign currency any excess Myanmar currency which is not then needed for local requirements.

23.4 Normal bank commissions and costs of transfers relating to currency conversions or remittances shall be borne by CONTRACTOR and shall be recoverable from Cost Petroleum.

23.5 CONTRACTOR shall be entitled to pay its foreign-controlled contractors and subcontractors and its expatriate employees in foreign currency abroad, and such contractors, subcontractors and expatriate employees shall be entitled to receive and retain such foreign currency abroad.

23.6 The provisions of Sections 23.2, 23.3, 23.4 and 23.5 shall also apply to CONTRACTOR's expatriate employees and CONTRACTOR's foreign controlled contractors, subcontractors and their expatriate employees.

23.7 Unless otherwise expressly agreed, all payments by CONTRACTOR to MOGE or the Government hereunder and all payment by MOGE or the Government to CONTRACTOR hereunder shall be made in U.S. Dollars at a bank in Myanmar or abroad as specified by the recipient.

SECTION 24

INSURANCE

24.1 As to all operations performed by the CONTRACTOR under this Contract, the CONTRACTOR shall secure and maintain insurance in accordance with Foreign Investment Law and rules and procedures relating to the Foreign Investment Law, to the extent that all such insurances are available in the local market. CONTRACTOR, however, may provide such insurance coverage to fulfill the requirements hereunder through the use of any world-wide policy or policies with Certificates of Insurance evidencing such coverage and containing a statement that such insurance shall not be materially changed or canceled without at least thirty (30) days prior written notice.

24.2 The CONTRACTOR shall require that its contractors and subcontractors procure similar insurance to those required to be procured by the CONTRACTOR and such additional insurances as CONTRACTOR shall deem appropriate, all to be evidenced by Certificates of Insurance.

24.3 To eliminate controversy, the expense and inconvenience thereof, as between MOGE and the CONTRACTOR, it is agreed that the insurance policies shall be endorsed so that the underwriters, insurers and insurance carriers of each with respect to this Contract shall not have any right of recovery against either of the Parties hereto or their representatives in any form whatsoever, and the rights of recovery with respect to this operation are mutually waived. All policies of insurance herein provided and obtained or required by either Party shall be suitably endorsed to effectuate this waiver of recovery.

SECTION 25

TERMINATION

25.1 This Contract may be terminated by the CONTRACTOR by giving not less than ninety (90) days written notice to MOGE provided, however, CONTRACTOR may not so terminate this Contract during the Exploration Period or any extension thereof prior to fulfilling the applicable conditions specified in Section 5.

25.2 This Contract shall be terminated in its entirety by MOGE if it is proved that the CONTRACTOR, acting as a company and not including actions of its employees, intentionally and knowingly is involved in political activities detrimental to the Republic of the Union of Myanmar. On such termination, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.3 If the CONTRACTOR is in material breach of any of its obligations under this Contract, MOGE shall give notice to remedy such breach within sixty (60) days. If CONTRACTOR fails to remedy such breach within the said sixty (60) days, MOGE shall have the right to terminate this Contract by delivering a notice of termination to the CONTRACTOR. Once terminated, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.4 Subject to earlier termination upon notice by CONTRACTOR pursuant to Section 25.1, this Contract shall automatically terminate in its entirety on the later of the occurrence of one of the following events:

a) If there is no Commercial Discovery of Petroleum in the Contract Area during the Exploration Period or extension thereof;

b) At the end of the Development and Production Periods relating to all Development and Production Areas within the Contract Area; or

c) At the end of the Natural Gas/Crude Oil commercialization period or extension provided for in Section 13.3.

SECTION 26

BOOKS AND ACCOUNTS AND AUDITS

26.1 Subject to the requirement of Section 17.2, CONTRACTOR shall be responsible for keeping complete books and accounts with the assistance of MOGE reflecting all Petroleum Costs as well as monies received from the sale of Petroleum, consistent with international petroleum industry practices and proceedings as described in Annexure "C" attached hereto. Should there be any inconsistency between the provisions of this Contract, and the provisions of Annexure "C", then the provisions of the Contract shall prevail.

26.2 MOGE and the Government shall have the right to inspect and audit CONTRACTOR's books and accounts relating to this Contract for any Financial Year covered by this Contract following the end of the Financial Year. Any exception must be made in writing within sixty (60) days following the completion of such audit. Such audit shall be performed within two Financial Years after the closing of the related Financial Year.

SECTION 27
GENERAL PROVISIONS

27.1 Notices

a) Notices and other communications required or permitted to be given under this Contract shall be deemed given when delivered and received in writing either by hand or through the mail, or facsimile, appropriately addressed as follows:

to MOGE:

i) By hand or mail: MYANMA OIL AND GAS ENTERPRISE
BUILDING NUMBER 44, NAY PYI TAW,
REPUBLIC OF THE UNION OF MYANMAR.

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: 00 95 67 411125

to CONTRACTOR PARTIES:

TRG M15 PTE. LTD.

I) By hand or mail: 261 LAVENDER STREET, #02-01
SINGAPORE (338794)

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: ....

CFG ENERGY PTE. LTD.

i) By hand or mail: 732, UPPER CHANGI ROAD EAST,
#01-04 CASCADALE
SINGAPORE 486860

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: ....

CENTURY BRIGHT GOLD CO., LTD.

i) By hand or mail: 6th FLOOR, SAYARSAN PLAZA
CORNER OF SAYARSAN ROAD AND
NEW UNIVERSITY AVENUE ROAD
BAHAN TOWNSHIP, YANGON
REPUBLIC OF THE UNION OF MYANMAR

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: ....

b) any notice given by hand delivery or registered mail shall be deemed given at the time of delivery and any notice given by facsimile shall be deemed to be given at the time transmission has been confirmed provided however, where the time of transmission falls outside the normal business hours of the recipient, delivery shall be deemed to be given at 09:00 hours (recipient's local time) on the next following business day at the location of the receipt.

c) MOGE and CONTRACTOR may change its address or addresses by giving notice of the change to each other.

27.2 Language of Text

This Contract is made and entered into in the English Language.

27.3 Effectiveness

This Contract shall be legally binding on and from the Effective Date.

27.4 Covenants Against Undue Influence

The Parties agree that they will comply with applicable anti-corruption laws of the Republic of the Union of Myanmar.

27.5 Secrecy

a) Contractor undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations in the Republic of the Union of Myanmar. The CONTRACTOR understands fully that this undertaking and obligation is a continuing one which will be binding also on its successors, legal representatives and permitted assigns, until such time when MOGE agrees in writing to release CONTRACTOR from its undertakings and obligations. CONTRACTOR may disclose data and information to government authorities if required by law and, in order to facilitate the conduct of the Petroleum Operations may also disclose data and information to affiliates, its contractors, consultants and bone fide prospective assignees provided that the CONTRACTOR obtains an undertaking by the recipient to maintain such data in strictest secrecy and confidence.

b) MOGE may use at its own discretion all the data and information obtained during the course of operations in the Republic of the Union of Myanmar but shall undertake to maintain such data and information in strictest secrecy and confidence during the term of this Contract.

27.6 Change of Conditions

In the event that any situation or condition arises due to circumstances not envisaged in the Contract that warrants amendments to the Contract the Parties shall negotiate and make the necessary amendments.

27.7 Stabilization

If a material change occurs to the CONTRACTOR's economic benefits after the Commencement of the Operation Date of the Contract due to the promulgation of new laws decrees, rules and regulations, any amendment to the applicable laws, decrees, rules and regulations or any reinterpretation of any of the foregoing made by the Government, the Parties shall consult promptly and make all necessary revisions or adjustment to the relevant provisions of the Contract in order to maintain the CONTRACTOR's normal economic benefit hereunder.

27.8 Entire Agreement

This Contract supersedes all prior understandings and agreements of the Parties and may not be modified by any means except by written instrument signed by both Parties. The Contract is to be read, interpreted and enforced as a single, indivisible fully integrated agreement representing the entire expression of the Parties in writing with respect to the subject matters therein contained.

IN WITNESS WHEREOF, this Contract has been executed by a duly authorized signatory of each respective Party named below at Nay Pyi Taw, the Republic of the Union of Myanmar as of the day and year first above mentioned.

Signed, sealed and delivered

For and on behalf of
MYANMA OIL AND GAS ENTERPRISE

____

MANAGING DIRECTOR

Signed, sealed and delivered

For and on behalf of
TRG M15 PTE. LTD.

____

For and on behalf of
CFG ENERGY PTE. LTD.

____

For and on behalf of
CENTURY BRIGHT GOLD CO., LTD.

____

IN THE PRESENCE OF:

____

DIRECTOR GENERAL
ENERGY PLANNING DEPARTMENT

____

____

____

ANNEXURE "A" DESCRIPTION OF CONTRACT AREA

This Annexure "A" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and TRG M15 PTE. LTD. and CFG ENERGY PTE. LTD. and CENTURY BRIGHT GOLD CO., LTD.

Dated: , 2014

DESCRIPTIONOF CONTRACT AREA

TANINTHARYI OFFSHORE BLOCK M-15

BLOCK M-15 COORDINATES

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	12° 19' 00"	96° 19' 00"
B	12° 19' 00"	98° 00' 00"
C	11° 40' 00"	98° 00' 00"
D	11° 40' 00"	96° 19' 00"
A	12° 19' 00"	96° 19' 00"

Area of Block M-15= 5,204 Sq. Miles.

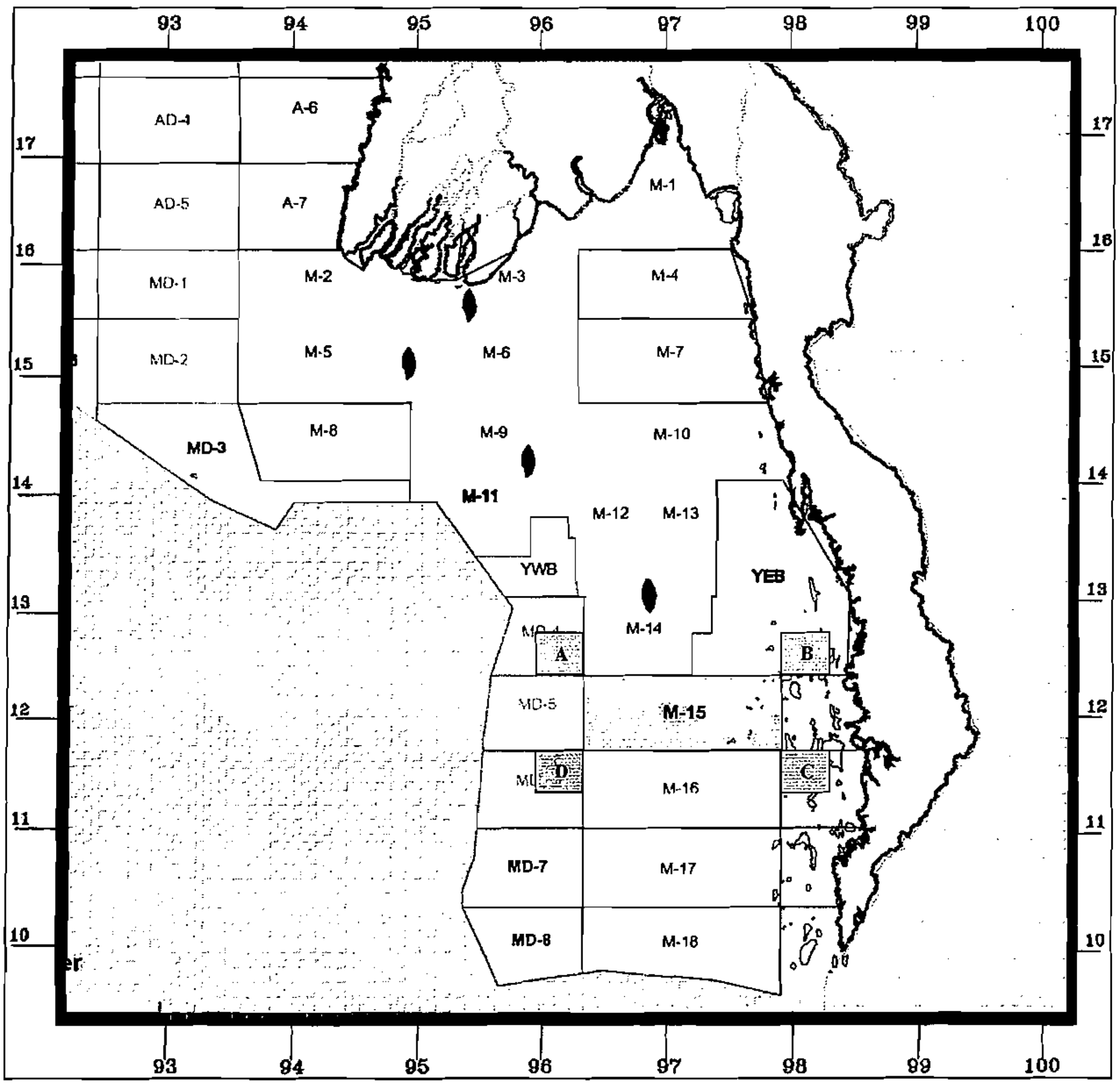
Note: Block M-15 *boundary is defined by the coordinate above and defined as three (3) nautical miles from mainland shore and further defined with an exclusion zone of one (1) nautical mile from the shore of recognized islands.*

ANNEXURE "B" MAP OF CONTRACT AREA

This Annexure "B" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and TRG M15 PTE. LTD. and CFG ENERGY PTE. LTD. and CENTURY BRIGHT GOLD CO., LTD.

Dated: , 2014.

MAP OF CONTRACT AREA



ANNEXURE "C" ACCOUNTING PROCEDURE

This Annexure "C" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and TRG M15 PTE. LTD. and CFG ENERGY PTE. LTD. and CENTURY BRIGHT GOLD CO., LTD.

Dated: 2014 †

ACCOUNTING PROCEDURE

ARTICLE 1- GENERAL PROVISIONS

This Accounting Procedure applies to and shall be observed in the establishment, keeping and control of all accounts, books and records of accounts under the Contract.

The Contract and this Accounting Procedure are intended to be correlative and mutually explanatory. Should however any discrepancy arise, then the provisions of the Contract shall prevail.

The Parties agree that if any procedure established herein proves unfair or inequitable to any Party, the Parties shall meet and endeavor to agree on the changes necessary to correct that unfairness or inequity.

For the purposc of the present Accounting Procedure, the term "CONTRACTOR" shall also include CONTRACTOR's Affiliates as may be necessary according to the context.

1.1 Definitions

1.1.1 The terms used in the Accounting Procedure have the same meanings as set out for the same terms in the Contract and otherwise in accordance with the provisions of the Contract.

1.1.2 "Capital Expenditures" means expenditures incurred for the purchase of tangible physical assets which by generally accepted international accounting principles of the international petroleum industry are classified as capital and the costs of which is amortizable. Such assets include but are not limited to:

- drilling and well equipment including wellheads, casing, pipe, flow lines and pumps;
- gathering systems including pipe, field storage, and crude oil separation and treatment plants and equipment;
- pipelines for the transportation of Petroleum to the point of export, sale or delivery;
- storage tanks and loading facilities at the point of export, sale or delivery; and
- any other plant, equipment or fixture in the Republic of the Union of Myanmar reasonably necessary to carry out Petroleum Operations.

1.1.3 "<u>Controllable Material</u>" means Material which the CONTRACTOR subjects to record control and inventory in accordance with good international petroleum industry practice.

1.1.4 "<u>Material</u>" means any equipment, machinery, materials, articles, supplies and consumable either purchased, or leased, or rented or transferred by CONTRACTOR and used in the Petroleum Operations.

1.2 Books and Record

Books and records of accounts will be kept in accordance with a generally accepted and recognized accounting system consistent with modern petroleum industry practices and procedures and in English language and U.S. Dollars, supplemented and supported by such books, records or entries in other currencies as may be necessary for completeness and clarity and to implement the Contract in accordance with its terms.

1.3 Currency Exchange

Any costs incurred or proceeds received, in currency other than U.S. Dollars including the currency of the Republic of the Union of Myanmar shall be converted into U.S. Dollars computed at the prevailing rate of exchange on the day on which the costs were paid or the proceeds were received.

1.4 Independent Auditor

The CONTRACTOR shall in consultation with MOGE, appoint an independent auditor of international standing, to audit annually the accounts and records of Petroleum Operations and report thereon, and the cost of such audit and report shall be promptly delivered to the MOGE and shall be chargeable under the CONTRACT.

<u>ARTICLE 2 - PETROLEUM COSTS</u>

2.1 The parties shall maintain a "Petroleum Costs Account" in which there shall be reflected all Petroleum Costs incurred in connection with the Petroleum Operations carried out under the provisions of the Contract.

Such Petroleum Costs shall be recoverable by the CONTRACTOR in accordance with the provisions of the Contract and as further set out below. Without limiting the generality of the foregoing, the costs and expenditures considered in 2.2 to 2.12 hereafter are included in Petroleum Costs.

Petroleum Costs shall be recoverable in following manner:

a) Operating Costs, including all tangible drilling costs, with the exception of the Capital Expenditure, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which these Operating Costs are incurred or the Financial Year in which commercial production occurs, whichever is the later.

b) Exploration and Appraisal Expenditures, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which commercial production occurs.

c) Capital Expenditures incurred in respect of each Development Area shall be recoverable at a rate of twenty five percent (25%) per annum based on amortization at that rate starting either in the Financial Year in which such Capital expenditures are incurred or the Financial Year in which commercial production from that Development and Production Area commences, whichever is the later.

d) Capital Expenditures, including but not limited to expenditure for aircraft, camps, offices, warehouses, vehicles, workshops, power plants, tools, and equipment, incurred outside of a Development and Production Area, shall be recoverable at a rate of twenty-five (25%) per annum, based on amortization at that rate starting either in the Financial Year in which such Capital Expenditures are incurred or the Financial Year in which commercial production from any Development and Production Area commences, whichever is the later, and shall be recoverable from any Development and Production Area(s).

e) Accrual of estimated abandonment costs shall be recoverable from the Financial Year in which commercial production from each Development and Production Area commences.

2.2 Labor and related costs

2.2.1 CONTRACTOR's locally recruited employees based in the Republic of the Union of Myanmar.

The actual cost of all CONTRACTOR's locally recruited employees who are directly engaged in the conduct of Petroleum Operations in the Republic of the Union of Myanmar. Such costs shall include the costs of employee benefits and Government benefits for employees and taxes and other charges levied on the CONTRACTOR as an employer, transportation and relocation costs within the Republic of the Union of Myanmar and costs of the employee and such employee's family (limited to spouse and dependent children), as statutory or customary for the CONTRACTOR.

2.2.2 Assigned personnel

The cost of the personnel of CONTRACTOR and its Affiliates resident in and working in the Republic of the Union of Myanmar for the Petroleum Operations under this Contract.

The cost of these personnel shall be the CONTRACTOR's actual cost according to CONTRACTOR's practice.

Actual cost includes, but is not limited to, free furnished accommodation in the Republic of the Union of Myanmar, medical and dental treatment

of the employee and immediate family, local schooling expenses and any other local employment cost paid by the CONTRACTOR.

2.2.3 Personnel of the CONTRACTOR and its Affiliates, based outside the Republic of the Union of Myanmar working for the Petroleum Operations on a time sheet basis under this Contract.

Such personnel shall be charged at rates which represent the CONTRACTOR and its Affiliates actual cost under this Contract. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside CONTRACTOR and its Affiliates home country, the hourly rate will be charged from the date such personnel leave the town where they usually work in CONTRACTOR and its Affiliates home country through their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employees from his employment in CONTRACTOR and its Affiliates home country. No charge will be made for overtime.

As early as possible in each Financial Year, the CONTRACTOR shall advise these hourly rates for each subsequent Year. They may be subject to revision from time to time at the CONTRACTOR's initiative.

2.2.4 Other personnel

Personnel working for the Petroleum Operations under this Contract outside the Republic of the Union of Myanmar for the CONTRACTOR and its Affiliates who are not on a time sheet basis shall be deemed compensated as per the administrative overheads set forth in subpart 2.11 below.

2.2.5 Provisions common to Subpart 2.2.2 and 2.2.3

Subpart 2.2.2 and 2.2.3 above have been agreed upon considering the present structure of the CONTRACTOR. Should the CONTRACTOR be charged, or should the CONTRACTOR change their present structure or organization, these subparts shall be revised accordingly.

2.2.6 Employees training expenses

Training expenses for the CONTRACTOR's employees resident in the Republic of the Union of Myanmar and the CONTRACTOR's contribution to training under Section 15 of the Contract.

2.3 Material

2.3.1 The cost of Material shall be charged to the Petroleum Costs Account on the basis set forth below.

The CONTRACTOR does not guarantee the Material. The only guarantees are the guarantees given by the manufactures or the vendors, as long as, they are in force.

2.3.1.1 Except as otherwise provided in Subpart 2.3.1.2 below, Material shall be charged at the actual net cost incurred by the CONTRACTOR. Net cost shall include, but shall not be limited to such items as the vendor's invoice price, packaging, transportation, loading and unloading expenses, insurance costs, duties, fees and applicable taxes less discounts actually received.

2.3.1.2 Material shall be charged at the price specified herein below:

a) New Material (Condition "A") shall be valued at the current international net cost which shall not exceed the price prevailing in normal arm's length transaction on the open market:

b) Used material (Condition "B", "C" and "D" and junk Material)

i) Material which is sound and serviceable condition and is suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy-five (75%) of the current price of new Material defined in a) above;

ii) Material which cannot be classified as Condition "B" but which after reconditioning will be serviceable for its original function shall be classified as Condition "C" and price at fifty percent (50%) of the current price of new Material as defined in a) above. The cost of reconditioning shall be charged to the reconditioned Material provided that the value of the Condition "C" Material plus the cost of reconditioning do not exceed the value of Condition "B" Material;

iii) Material which has a value and which cannot be classified as Condition "B" or Condition "C" shall be classified as Condition "D" and priced at value commensurate with its use.

iv) Material which is usable and which cannot be classified as Condition "B" or Condition "C" or Condition "D" shall be classified as junk and shall be considered as having no value.

2.3.2 Inventories

At reasonable intervals, inventories shall be taken by the CONTRACTOR of all controllable Material. The CONTRACTOR shall give sixty (60) days written notice of intention to take such inventories to allow the MOGE to choose whether to be represented (in which case the MOGE shall elect to accept the inventory taken by the CONTRACTOR).

2.4 Transportation and employee relocation costs

2.4.1 Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air freight, and customs clearance and other destination services.

2.4.2 Transportation of employees as required in the conduct of Petroleum Operations, including employees of the CONTRACTOR's whose salaries and wages are chargeable under subparts 2.2.2 and 2.2.3 of this Accounting Procedure.

2.4.3 Relocation costs for employees permanently of temporarily assigned to Petroleum Operations. Relocation costs from the vicinity of Petroleum Operations, except when an employee is reassigned to another location classified as a foreign location by the CONTRACTOR. Such costs include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the usual practice of the CONTRACTOR.

2.5 Services

2.5.1 The actual costs of contract services, professional consultants and other services performed by third parties.

2.5.2 Costs of use of facilities and equipment for the direct benefit of the Petroleum Operations, furnished by the CONTRACTOR, or third parties, at rates commensurate with the cost of ownership, or rental, and the cost of operation thereof, but such rates shall not exceed those currently prevailing in normal arm's length transactions on the open market for like services and equipment.

2.6 Damages and losses to material and facilities

All costs or expenses necessary for the repair or replacement of Material and facilities resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The CONTRACTOR shall furnish to the MOGE written notice of damages or losses for each occurrence or loss involving more than U.S. Dollars One Hundred Thousand (US$100,000) after the loss occurrence or as soon as practicable.

2.7 Insurance Claims

2.7.1 Premiums paid for insurance to cover the risks related to Petroleum Operations according to the CONTRACTOR's practice.

2.7.2 Actual expenditure incurred in the settlement of all losses, claims, damages, judgments, and other expenses (including legal expenses as set out below) for the benefit of the Petroleum Operations.

2.8 Legal Expenses

All costs or expenses of litigation or legal services otherwise necessary or expedient including but not limited to legal counsel's fees, arbitration costs, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These services may be performed by the CONTRACTOR's legal staff and/or an outside firm as necessary.

2.9 Charges and fees

i) All charges and fees which have been paid by the CONTRACTOR with respect to the Contract.

ii) All financing interests for the Capital Expenditures incurred during the Development Period of which interest rate shall be decided according to market prevailing rate at that time applicable to Myanmar or to be arranged by CONTRACTOR.

2.10 Offices, camps and miscellaneous facilities

Cost of establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities such as recreational facilities for employees. If these facilities serve more than one (1) contract area the costs thereof shall be allocated on an equitable basis.

2.11 General and administrative expenses

2.11.1 The services for all personnel of the CONTRACTOR as per subpart 2.2.4 as well as the contribution of the CONTRACTOR's to the Petroleum Operations of an intangible nature shall be deemed compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2 The basis for applying this overhead charge shall be the total Petroleum Costs incurred during each Financial Year or fraction thereof.

The sliding scale percentage shall be the following: -

For the first U.S. Dollars Five Million:	4%
For the next U.S. Dollars Three Million:	2%
For the next U.S. Dollars Four Million:	1%
Over U.S. Dollars Twelve Million:	0.5%

2.12 Other Expenditures

Any reasonable expenditure not covered or dealt with in the foregoing provisions which are incurred by the CONTRACTOR for the necessary and proper performance of the Petroleum Operations and the carrying out its obligations under the Contract or related thereto.

2.13 Credits under the contract

The net proceeds of the following transactions will be credited to the accounts under the Contract.

a) the net proceeds of any insurance or claim in connection with the Petroleum Operations or any assets charged to the accounts under the Contract.

b) revenue received from outsiders for the use of property or assets charged to the accounts under the Contract which have become surplus to Petroleum Operations and have been released to mitigate losses;

c) any adjustment received by CONTRACTOR from the suppliers/manufacturers or their agents in connections with defective equipment or material the cost of which was previously charged by the CONTRACTOR under the Contract;

d) rentals, refunds or other credits received by the CONTRACTOR which apply to any charge which has been made to the accounts under the Contract;

e) proceeds from all sales of surplus Materials charges to the account under the Contract, at the net amount actually collected.

2.14 No duplication of charges and credits

Notwithstanding any provision to the contrary in this Accounting Procedure, it is the intention that there shall be no duplication of charges or credits in the accounts under the Contract.

ARTICLE 3 - FINANCIAL REPORTS TO THE MOGE

3.1 The reporting obligations provided for in this Part shall apply to the CONTRACTOR and shall be in the manner indicated hereunder.

3.2 The CONTRACTOR shall submit to MOGE within thirty (30) days of the end of each Quarter:

3.2.1 A report of expenditure and receipts under the Contract analyzed by budget item showing:

a) actual expenditure and receipts for the Quarter in question;

b) actual cumulative expenditure to date;

c) latest forecast of cumulative expenditure at Year end; and

d) variances between budget, and actual expenditure and explanations thereto.

3.2.2 A cost recovery statement containing the following information:

a) recoverable Petroleum Costs brought forward from the previous Quarter, if any;

b) recoverable Petroleum Costs incurred during the Quarter;

c) total recoverable Petroleum Costs for the Quarter, i.e a) plus b) above;

d) quantity and value of Cost Petroleum taken and separately disposed of by the CONTRACTOR for the Quarter;

e) amount of Petroleum recovered for the Quarter; and

f) amount of recoverable Petroleum Costs to be carried forward into the next Quarter, if any.

3.3 After the commencement of production the CONTRACTOR shall, within thirty (30) days after the end of each month, submit a production report to the MOGE showing for each Development and Production Area the quantity of Petroleum:

a) held in stocks at the beginning of the month

b) produced during the month

c) lifted, and by whom;

d) lost and consumed in Petroleum Operations, and

e) held in stocks at the end of the month.

3.4 A lifting Party shall submit, within thirty (30) days after the end of month, a report to the MOGE stating the quantities and sales value of each Petroleum sales made in that month.

ANNEXURE "D" PARENT COMPANY GUARANTEE

This Annexure "D" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and TRG M15 PTE. LTD. and CFG ENERGY PTE. LTD. and CENTURY BRIGHT GOLD CO., LTD. ("CONTRACTOR") as stated and referred to in Section 5.4 of this Contract.

LETTER OF PARENT COMPANY GUARANTEE

Date: , 2014.

We hereby absolutely and unconditionally guarantee to the Myanma Oil and Gas Enterprise, Ministry of Energy, the Government of the Republic of the Union of Myanmar that the CONTRACTOR Party ("..................................") is financially sound and technically competent and shall perform the tasks such as funding necessary capital, assets and supplying machinery, equipment, tools, technicians, specialists and discharge of expenditure obligations undertaken by it through the Tanintharyi Offshore Block M-15 Production Sharing Contract, for the exploration, extraction and development work of the Tanintharyi Offshore Block M-15 and we irrevocably undertake that if the CONTRACTOR fails to perform its minimum expenditures commitments under Section 5.2, we shall, following receipt of a demand from the Myanma Oil and Gas Enterprise, incur such expenditure to ensure that the minimum expenditure commitment are met.

Notwithstanding anything to the contrary contained or implied herein, our liability under this guarantee shall not exceed an amount equal to Ninety (90) percent of the aggregate value of its minimum expenditure commitment expressly provided for under Section 5.2 less Ninety (90) percent of the expenditure already incurred by the CONTRACTOR with respect to its minimum expenditure commitment.

This guarantee shall be effective from the date of signing of the Production Sharing Contract and shall remain in force to the successive limited periods and up to the last exploration period if extended by the consent of the contracting parties in accordance with Section 5.2 (a) to (g) and 5.3 of this Contract.

For and on behalf of

____

ANNEXURE "E" MANAGEMENT PROCEDURE

This Annexure "E" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and TRG M15 PTE. LTD. and CFG ENERGY PTE. LTD. and CENTURY BRIGHT GOLD CO., LTD..

Dated: , 2014.

MANAGEMENT PROCEDURE

1. MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programme. To obtain the benefits of mutual co-operation and to co-ordinate their efforts under the Contract, a "Management Committee" shall be established consisting of four (4) representatives appointed by MOGE, one whom shall act as Chairman of the Management Committee and three (3) representatives appointed by CONTRACTOR.

2. The initial appointment of representatives to the Management Committee shall be made by MOGE and by CONTRACTOR, by notice given to the other within thirty (30) days from the Commencement of the Operation Date, advising the names of their respective representatives and such appointments may be changed thereafter from time to time by similar notice from the changing Party to the other.

3. All decisions required to be taken by the Management Committee shall be taken by the unanimous vote of the representatives present at the meeting, it being understood that no such decisions shall be valid unless at least one representative of MOGE and one representative of the CONTRACTOR is present at the meeting. Decisions taken by the Management Committee shall be recorded in minutes signed on behalf of both MOGE and CONTRACTOR and shall be binding on the Parties hereto.

4. The Management Committee shall meet whenever required by MOGE or by CONTRACTOR, subject to 15 days prior notice to its members which notice shall include the agenda for the meeting.

5. The Management Committee shall have the following functions and responsibilities under this Contract.

   a) To provide the opportunity for and to encourage the exchange of information, views, ideas and suggestions regarding plans, performances and results obtained under the Contract.

   b) To review and approve Work Programmes and Budgets proposed by CONTRACTOR, taking into consideration any revisions thereto proposed by MOGE and further revision by both Parties.

   c) To co-ordinate on all technical, financial, administrative and policy matters of interest to both Parties.

d) In case of Discovery of Petroleum to review and approve any proposal for the appraisal and development of such discovery.

e) To consider and act upon recommendations made to the Management Committee by its sub-committees.

f) To co-operate towards implementation of the Contract in accordance with its terms.

6. To facilitate the discharge of its functions, the Management Committee shall appoint sub-committees composed of representatives of both MOGE and the CONTRACTOR such as but not limited to:

a) Technical Sub-committee to review and consult upon Work Programme and any variation thereof, to supervise all safety procedures to be used in the conduct of Petroleum Operations, to advise the Parties on the progress of the current Work Programme pertaining to exploration, development and production and to perform any other task that the Parties may describe by common agreement.

b) Procurement Sub-committee to review and recommend the international tender being applied for purchase of equipment and the selection of sub-contractors and supplies of services for Petroleum Operations hereunder.

c) Accounting Sub-committee to review the incomes and expenditures related to Petroleum Operations in accordance with this Contract and any questions arising thereto.

d) Petroleum Valuation Sub-committee to set the value, the International Market Price FOB Myanmar per barrel of Crude Oil for purpose of Cost Recovery and division of net sales proceeds. The valuation shall be based upon inquiries made by MOGE and CONTRACTOR internationally for the specific type of quality of Crude Oil such as API gravity, sulphur content, viscosity, pour point, etc. The valuation of Natural Gas will be determined at Delivery Point to gas buyer.

ANNEXURE "F" MEMORANDUM ON PARTICIPATION

This Annexure "F" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and TRG M15 PTE. LTD. and CFG ENERGY PTE. LTD. and CENTURY BRIGHT GOLD CO., LTD.

Dated: , 2014.

MEMORANDUM ON PARTICIPATION

The Draft Operating Agreement between CONTRACTOR and MOGE referred to in Section 19.3 shall embody, inter alia, the following main principles:

1. CONTRACTOR shall be the sole Operator of the venture under properly defined rights and obligations.

2. Authorized representatives of both Parties shall meet periodically for the purpose of conducting the venture's operations. All decisions shall be taken by majority vote except in case of terminating the main Contract which decision shall require the unanimous consent of both Parties. However if either of the Parties wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. Both Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

4. The Operator shall prepare the annual Work Programme and Budgets which shall be submitted to the authorized representative of both Parties for decision prior to their submission to MOGE in accordance with the provisions of the main Contract.

5. In respect of any exploratory drilling operation other than exploratory drilling operations required, or which may serve, to fulfill the minimum work obligations, defined in Section 5 of the Contract , a "Sole Risk" provision shall be made which assure either Party that it does not have to participate in such operation if it were to disagree to the inclusion of such operation in the Work Programme and Budget and which in case of success adequately compensates the Sole Risk Party for the cost and risk incurred by the latter.

6. Subject to adequate lifting tolerances each Party shall offtake at CONTRACTOR's point of export its production entitlement. However, if MOGE is not in a position to market such quantity wholly or partly it shall in respect of the quantity which it cannot market itself have the option under an adequate notification procedure; either to require CONTRACTOR to purchase that quantity, or to lift that quantity at a later date under an adequate procedure within the period of time defined in such related procedures.

7. If Natural Gas (associated gas and non-associated gas) is encountered in commercial quantities, special provisions shall be drawn having due regard inter alia, to the long term character of Natural Gas Supply Contracts.

ANNEXURE "G"

This Annexure "G" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and TRG M15 PTE. LTD. and CFG ENERGY PTE. LTD. and CENTURY BRIGHT GOLD CO., LTD. as stated and referred to in Section 5.4 of this Contract.

Dated: 2014

PERFORMANCE BANK GUARANTEE

[SEAL]

Letter of Guarantee No.

…………………

…………………

Dear Sirs,

By order of …………………… Bank, and for account of ………………… we hereby issue a guarantee under their counter guarantee No…………dated ……… for Euro / US$ ………. (Euro/US$ …………………….. only) as follows;-

WHEREAS THE **MYANMA OIL AND GAS ENTERPRISE**, NAY PYI TAW, MYANMAR (HEREINAFTER CALLED THE MOGE) HAS ENTERED INTO A PRODUCTION SHARING CONTRACT WITH BERLANGA MYANMAR PTE LTD. (HEREINAFTER CALLED THE CONTRACTOR) ON ………… FOR THE PETROLEUM OPERATIONS OF……. IN 3/BLOCK NO. M-8 DATED ……………… (HEREINAFTER CALLED THE PSC) AND IN THE EVENT, THE CONTRACTOR BECOMES LIABLE TO MOGE ANY SUM OR SUMS OF MONEY DUE TO THE FAILURE OF THE CONTRACTOR TO EXECUTE AND PERFORM. ITS MINIMUM EXPENDITURE COMMITMENT FOR IN THE PSC, 1/ WE HEREBY IRREVOCABLY AND UNCONDITIONALLY GUARANTEE TO PAY MOGE WITHIN (10) WORKING DAYS THE AMOUNT EQUAL TO TEN (10) PERCENT OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC CLAIMED BY MOGE, 2/ **ON YOUR FIRST WRITTEN DEMAND ACCOMPANIED BY YOUR WRITTEN DECLARATION** THAT THE CONTRACTOR HAS 3/ **FAILED TO EXECUTE AND PERFORM ANY OF THE OBLIGATIONS** UNDER THE TERMS AND CONDITIONS OF THE AFORESAID CONTRACT.

1/ The Obligation of Guarantee

2/ Condition of Beneficiary's Demand

3/ Guarantee Amount, Contract No., Expiry, Condition of Beneficiary's Demand if failed to comply with contract terms

OUR LIABILITY HEREUNDER IS NOT TO EXECEED IN THE AGGREGATE THE SUM OF 3/ EURO/US$ ..../- (.. ONLY) BEING THE TEN PERCENT (10 PERCENT) OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC. A DEMAND FOR REFUND AMOUNT SHALL BE MADE IN WRITING AND SUBSTANTIATED WITH RESPECTIVE DOCUMENTS.

THIS PERFORMANCE BANK GUARANTEE ISSUE IN THE FORM OF BANK GUARANTEE BY US. ON THE ACCOUNT OF THE CONTRACTOR, SHALL BE EXPIRED THREE (3) YEARS FROM THE DATE OF ISSUE OF THIS 3/PERFORMANCE GUARANTEE.

ALL CLAIMS UNDER THIS GUARANTEE MUST BE RECEIVED BY US IN MYANMAR ON OR BEFORE THE EXPIRY DATE, AFTER WHICH THIS GUARANTEE SHALL BE VOID AND NO CLAIM FOR PAYMENT SHALL BE PERMITTED OR ENTERED BY US NOTWITHSTANDING THAT THIS GUARANTEE MAY NOT HAVE BEEN RETURNED TO US FOR CANCELLATION.

THIS GUARANTEE IS NOT TRANSFERABLE OR ASSIGNABLE.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. BY ACCEPTANCE HEREOF, YOU IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE SINGAPORE COURTS.

Our liability under this Guarantee is limited to the sum of EURO/US$ .... /- (EURO/$ ....only) and any claim hereunder must be submitted in writing to this office, during normal banking hours, within the validity of this guarantee.

This guarantee must be returned to us for cancellation as soon as it expires.

Yours faithfully,

COUNTERSIGNED FOR MYANMA FOREIGN TRADE BANK

MANAGER
FINANCING & GUARANTEE DEPT

ASSISTANT MANAGER
GUARANTEE DEPT

လျှို့ဝှက်

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နောက်ဆက်တွဲ(င)

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နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၂) / ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၂၁ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

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ရည် ညွှန်း ချက်။ ယင်း၏ ၈-၇-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ဝ၁၂ /၃၂၂ / ထ(၅၇၇ / ၂၀၁၄)

ကမ်းလွန်လုပ်ကွက် ၂၀ တွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ပထမအကြိမ် ကမ်းလွန်လုပ်ကွက်များအတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုထားသော Selected Candidates ကုမ္ပဏီများအား ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းနှင့်စပ်လျဉ်း၍ ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်ရန် အကြောင်းကြားအပ်ပါသည်။

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လျှို့ဝှက်

နောက်ဆက်တွဲ(စ)

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စွမ်းအင်စီမံရေးဦးစီးဌာန
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ရက်စွဲ ၂၄-၁၁-၁၄
Energy Planning Department

စာအမှတ်၊ ၂ (၅) ၈ - ၂၂၄ /နပတ(၁၀၀၁)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၂၁ ရက်

အကြောင်းအရာ။ တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် M-15 တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန် အတွက် ချုပ်ဆိုမည့် Production Sharing Contract (မူကြမ်း) အပေါ် သဘောထားမှတ်ချက်ပေးပါရန်ကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၃၀-၁၀-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၀၉ /ထ (၉၁၄ /၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ ကမ်းလွန်လုပ်ကွက်ဖြစ်သော တနင်္သာရီကမ်းလွန် ဒေသရေနက်ပိုင်း လုပ်ကွက် M-15တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက် TRG M15 Pte. Ltd၊ CFG Energy Pte. Ltd နှင့် မြန်မာတိုင်းရင်းသားပိုင် Century Bright Gold Co., Ltd တို့နှင့် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE) တို့ အကြား ချုပ်ဆို ဆောင်ရွက်မည့် Production Sharing Contract for the Exploration and Production of Petroleum (PSC)(မူကြမ်း) အပေါ်သဘောထားမှတ်ချက်ပေးပါရန်ရည်ညွှန်းချက်ပါစာဖြင့်မေတ္တာရပ်ခံလာသောကိစ္စဖြစ်ပါသည်။

၂။ ပူးတွဲပေးပို့လာသော စာချုပ်(မူကြမ်း)ကို ဥပဒေရှုထောင့်မှလေ့လာစိစစ်ပြီး အောက်ပါအတိုင်း သုံးသပ်အကြံပြုအပ်ပါသည် -

(က) စာချုပ် (မူကြမ်း) ပါ စာပိုဒ်များ၌ ရည်ညွှန်းထားသော Section များနှင့် စာမျက်နှာမှန်ကန်မှုရှိစေရန် ဌာနမှ ပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ခ) စာချုပ်(မူကြမ်း) စာချုပ်ဝင်များစာပိုဒ်အောက်တွင် ဖော်ပြထားသော "စာချုပ်ဝင်များသည် တစ်ဦးချင်းသော်လည်းကောင်း၊ ပူးတွဲ၍သော်လည်းကောင်း တာဝန်ရှိကြောင်း" စာပိုဒ်ကို Section 17.2 Contractor ၏ Obligations တွင် စည်းကမ်းချက်တစ်ရပ်အဖြစ် ထည့်သွင်းသင့်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း) အပိုဒ် 2.6 နှင့် အပိုဒ် 11.1 တို့တွင် Contractor သည် လုပ်ငန်းစတင်သည့်နေ့မှ နောက်ရက်ပေါင်း(၃၀)အတွင်း Data Fee ပေးရမည်ဖြစ်ကြောင်းဖော်ပြထားပါသည်။ လုပ်ငန်းမစတင်နိုင် လျှင် Data Fee မရနိုင်သည်ကို ဌာနအနေဖြင့် သတိပြုသင့်ပါသည်၊

(ဃ) စာချုပ် (မူကြမ်း) အပိုဒ်ခွဲ 3.4တွင် Study Period ပြီးဆုံးသည့်အချိန်တွင် Exploration Operations ကိုဆက်လက်ဆောင်ရွက်ခြင်းမပြုရန် Contractor က ဆုံးဖြတ်ပါက ဌာနသို့ Study Period မပြီးမီ(၁၅)ရက် ကြိုတင်အကြောင်းကြား စာရေးသားပေးပို့ပြီး Contractor ဘက်မှစာချုပ်အားရပ်စဲနိုင်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(င) စာချုပ်(မူကြမ်း)များ Section 1 Definitions၊ အပိုဒ် 1. 21 Development and Production Operations နှင့် 1.28 Exploration Operations တို့၏ အဓိပ္ပာယ်ဖွင့်ဆိုချက်၌ "within or outside the Contract Area" ဟုလည်းကောင်း၊ စာချုပ်(မူကြမ်း) အပိုဒ် 8 Development and Production၊ အပိုဒ်ခွဲ 8.3(b) ၌ Development Plan ထဲတွင် Contract Area အတွင်းသာမက Contract Area ပြင်ပ (----within and outside of the Contract Area) ပါ ပါဝင်ကြောင်းဖော်ပြထားသည်ကို တွေ့ရှိရပါသည်။ Development Plan သည် Annexure A နှင့် B တွင် ဖော်ပြထားသော Contract Area အတွင်း ၌သာ ဆောင်ရွက်ရမည်ဖြစ်ပါသောကြောင့်

"outside of the Contract Area" ဟူသော စာသားကို ပယ်ဖျက်သင့်သည် ဟု ယူဆပါသည်၊

(စ) စာချုပ်(မူကြမ်း)အပိုဒ် 11.2 Signature Bonus တွင် Section 3.4 အရ Contractor သည် စာချုပ်ရပ်စဲရန် အခွင့်အရေးကို ကျင့်သုံးခဲ့ခြင်း မရှိပါက Contractor သည် ကနဦးတူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်ပြီးသည့်နေ့မှ နောက်ရက်ပေါင်း ၃၀ အတွင်း Signature Bonus ပေးမည်ကြောင်းဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး (၁၂)လအတွင်း ဆောင်ရွက်ရန် ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကို စတင်သဖြင့် လုပ်ငန်းစတင် သည့်နေ့မှ(၁၂)လ ကြာသည်အထိ Signature Bonus မရနိုင် သည့်သဘောဖြစ်နေသည်ဟု ယူဆပါသဖြင့်လည်းကောင်း၊ အပိုဒ် 3.4 အရ Contractor သည် စာချုပ်ကို ရပ်စဲရန် အခွင့်အရေးကိုမကျင့်သုံးပါမှ Signature Bonus ရနိုင်မည်ဖြစ် သဖြင့်လည်းကောင်း ဌာနမှပြန်လည်စိစစ် သင့်ပါသည်၊

(ဆ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 12.7 တွင် ထုတ်လုပ်ရရှိသည့် သဘာဝဓာတ်ငွေ့ များကို Contractor ဘက်က အသိအမှတ်ပြုသည့်ဈေးနှုန်းဖြင့်သာ ရောင်းချ ရန် ဖော်ပြထားချက်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(ဇ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 14.2 တွင် Crude Oil ရောင်းချငွေများကို (၄၅) ရက်အတွင်း Contractor သို့ပေးချေရန်၊ အကယ်၍ (၄၅)ရက်ကျော်လွန် ပါက ဒဏ်ကြေးငွေအဖြစ် LIBOR Plus 3% ကို ဌာနက Contractor သို့ ထပ်ဆောင်းပေးရမည်ဖြစ်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှ သတိပြုသင့် ပါသည်၊

(ဈ) စာချုပ်(မူကြမ်း)အပိုဒ်ခွဲ 17.1 တွင် MOGE မှ ဆောင်ရွက်ရန် စည်းကမ်းချက်များကိုဖော်ပြထားရာ ဌာနမှလက်ခံဆောင်ရွက်နိုင်ခြင်းရှိ မရှိ ကြိုတင်စိစစ်ထားသင့်ပါသည်၊

(ည) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 17.2 (s) နှင့် (t) တို့တွင် MOGE မှ ဆောင်ရွက်ပေးရန်ဖော်ပြထားသည့်စည်းကမ်းချက်များပါရှိကြောင်းတွေ့ရှိရသဖြင့်အဆိုပါ MOGE မှဆောင်ရွက်ရမည့်စည်းကမ်းချက်များကို အပိုဒ်ခွဲ 17.1 ရှိ MOGE ၏ အခွင့်အရေးနှင့် တာဝန်များခေါင်းစဉ်အောက်တွင်သာ ဖော်ပြသင့်ပါသည်၊

(ဋ) စာချုပ်(မူကြမ်း) အပိုဒ်ခွဲ 17.2 (w) တွင် Contractor သည် Petroleum Operations ကြောင့် အထူး သို့မဟုတ် သွယ်ဝိုက်၍ပေါ်ပေါက်လာမည့်ထိခိုက်ဆုံးရှုံးမှုများနှင့်စပ်လျဉ်း၍ MOGE သို့မဟုတ် Government သို့ တာဝန်မရှိကြောင်း ဖော်ပြထားချက်အား ဌာနမှသတိပြုသင့်ပါသည်၊

(ဌ) စာချုပ်(မူကြမ်း)Section 20 Force Majeure ၊အပိုဒ်ခွဲ 20.2 တွင် "acts of public authorities" ဟုဖော်ပြထားရာ "acts" ဟုသုံးနှုန်းခြင်းမှာကျယ်ပြန့်သည်ဟု ယူဆပါသည်။ မည်သည့်ပြုလုပ်ဆောင်ရွက်မှုကို ဆိုလိုကြောင်း ရှင်းလင်းစွာဖော်ပြသင့်ပါသည်၊

(ဍ) စာချုပ်(မူကြမ်း) Section 22 Consultation and Arbitration အပိုဒ် 22.5 တွင် အလားတူစာချုပ်(မူကြမ်း)များ၌ မပါဝင်ခဲ့သည့် "စာချုပ်ဝင်အသီးသီးအနေဖြင့် အမိန့်၊ စီရင်ချက်၊ ဆုံးဖြတ်ချက် သို့မဟုတ် အခြားကုစားခွင့်တစ်ရပ်ရပ်ကို အကောင်အထည်ဖော်ခြင်းနှင့် စပ်လျဉ်းသောတောင်းဆိုမှုတစ်ခုခုအားစွန့်လွှတ်ကြောင်း" ကို ထပ်မံဖြည့်စွက်ထားကြောင်း တွေ့ရှိရပါသည်။ ယင်းစည်းကမ်းချက်နှင့် စပ်လျဉ်း၍ စာချုပ်ဝင်များ ၏ တရားစွဲဆိုနိုင်ခွင့်နှင့် တရားစွဲဆိုခံပိုင်ခွင့်တို့ကို ထပ်မံဖော်ပြထားခြင်းဖြစ်

သောကြောင့်ဥပဒေကြောင်းအရ ကန့်ကွက်ရန်မရှိပါ။ ဌာန၏စီမံခန့်ခွဲရေး ဘောင်အတွင်းမှ ဆုံးဖြတ်ရန်ဖြစ်ပါသည်၊

(ဃ) စာချုပ်(မူကြမ်း) Section 23 Banking နှင့် စပ်လျဉ်း၍ ဘဏ္ဍာရေးဝန်ကြီးဌာနနှင့် ညှိနှိုင်းဆောင်ရွက်သင့်ပါသည်၊

(င) စာချုပ်(မူကြမ်း) Section 26 နှင့် Annexure C ပါ Accounting Procedure တို့နှင့်စပ်လျဉ်း၍ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘောထားမှတ်ချက်ကို ရယူသင့်ပါသည်၊

(စ) စာချုပ်(မူကြမ်း) အပိုဒ် 27.3 Effectiveness တွင် စာချုပ်စတင်အကျိုးသက်ရောက်သည့်နေ့ရက်ကို ဖော်ပြထားခြင်းမရှိသဖြင့် တိကျစွာထည့်သွင်းဖော်ပြရန်လိုအပ်ပါသည်၊

(ဆ) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်က ၁၄-၈-၂၀၁၄ ရက်စွဲဖြင့် ထုတ်ပြန်ကြေငြာခဲ့သော အမိန့်ကြော်ငြာစာအမှတ် ၅၀/၂၀၁၄ "ပတ်ဝန်းကျင်ထိခိုက်မှုဆန်းစစ်ချက်ရယူရန်လိုအပ်သည့် စီးပွားရေးလုပ်ငန်းအမျိုးအစားသတ်မှတ်ခြင်း" ၏ အမှတ်စဉ် ၂ တွင် "ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေတူးဖော်ထုတ်လုပ်ခြင်း၊ ရေနံချက်စက်ရုံ သို့မဟုတ် ရေနံဓာတုဗေဒစက်ရုံတည်ဆောက်အကောင်အထည်ဖော်ခြင်းလုပ်ငန်း" အား ဖော်ပြထားသည်ကို သိရှိနိုင်ရန်အတွက် ဖော်ပြအပ်ပါသည်။

၃။ ဤစာချုပ်(မူကြမ်း) ကို ပြည်ထောင်စုရှေ့နေချုပ်ဥပဒေနှင့်အညီ ဥပဒေကြောင်း အရသာ ဥပဒေအကြံဉာဏ်ပေးခြင်းဖြစ်ပါသည်။ ဥပဒေရေးရာမဟုတ်သည့် စီမံရေးရာ၊ ဘဏ္ဍာ ရေးရာ၊ ကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များကို ဤရုံးအနေဖြင့် မှတ်ချက်ပေးရန်မရှိပါကြောင်းနှင့် ယင်းကိစ္စရပ်များနှင့်စပ်လျဉ်း၍သက်ဆိုင်ရာကျွမ်းကျင်သူများနှင့်ဆွေးနွေးညှိနှိုင်းဆောင်ရွက်ရန် အကြံပြုပါသည်။

၄။ ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ ထုတ်လုပ်၊ ဝယ်ယူရောင်းချခြင်းလုပ်ငန်းနှင့် သဘာဝဓာတ်ငွေ့ထွက်ပစ္စည်းများ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်းသည် နိုင်ငံတော်ပိုင် စီးပွားရေး လုပ်ငန်းများဥပဒေပုဒ်မ ၃ အရ နိုင်ငံတော်အစိုးရကသာ နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်း အဖြစ် ဆောင်ရွက်နိုင်ခွင့်ရှိသဖြင့် ယခုစာချုပ်(မူကြမ်း)ပါ လုပ်ငန်းများကို ဆောင်ရွက်နိုင်ရန် ဖော်ပြပါ ဥပဒေပုဒ်မ ၄ အရ အစိုးရအဖွဲ့၏ အမိန့်ကြော်ငြာစာဖြင့် ခွင့်ပြုချက်ရယူရန် လိုအပ်မည်ဖြစ် ပါ သည်။

၅။ TRG M15 Pte. Ltd ၊ CFG Energy Pte. Ltd နှင့် Century Bright Gold Co., Ltd တို့သည် သက်ဆိုင်ရာနိုင်ငံများ၏ဥပဒေအရ တရားဝင်ဖွဲ့စည်းထား သောကုမ္ပဏီများ ဟုတ် မဟုတ်၊ စာချုပ်ပါလုပ်ငန်းကို လုပ်ကိုင်နိုင်ခွင့်နှင့် လုပ်ကိုင်နိုင်စွမ်းရှိ မရှိ၊ ငွေကြေးအင်အား ပြည့်စုံမှုရှိ မရှိ၊ စာချုပ်တွင် လက်မှတ်ရေးထိုးမည့်သူများသည် တရားဝင်လွှဲအပ်ခြင်းခံရသူများဟုတ် မဟုတ် စသည်တို့အတွက် သက်ဆိုင်ရာစာရွက်စာတမ်းများတောင်းယူ စိစစ်သင့်ပါသည်။

၆။ ဤ စာချုပ်(မူကြမ်း)ကို လက်မှတ်ရေးထိုးပြီးပါက မှတ်တမ်းတင်ထားနိုင်ရန် အတွက် ဤရုံးသို့ မိတ္တူ (၃) စောင်ပေးပို့ပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

၇။ ဤ အကြံပြုချက်ကို လျှို့ဝှက်အဆင့် သတ်မှတ်ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

၂၇/၁၁/၂၀၁၄

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)

(မေသီလင်း ၊ ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

စွမ်းအင်ဝန်ကြီးဌာန

မိတ္တူ - ရုံးလက်ခံ / မျှောစာတွဲ

နောက်ဆက်တွဲ(ဆ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး

စာအမှတ်၊ စဆ - ၈ / ၁၆၁ (၃၃၇ / ၂၀၁၄)
ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ(၁၂) ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M- 15 တွင် ချုပ်ဆိုမည့်စာချုပ်မူကြမ်းနှင့် စပ်လျဉ်း၍ သဘောထားမှတ်ချက်တောင်းခံခြင်းကိစ္စ**

ရည်ညွှန်းချက် ။ လိပ်မူပါရုံး၏ ၄-၁၁-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈ /၉၀၉ /ထ (၉၃၄ / ၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-15 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် စင်ကာပူသမ္မတနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် TRG M15 Pte., Ltd ၊ CFG Energy Pte.,Ltd နှင့် ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် တွင် မှတ်ပုံတင်ထားသည့် မြန်မာတိုင်းရင်းသားပိုင် Century Bright Gold Co., Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ်မူကြမ်းအပေါ် သဘောထားမှတ်ချက်ပြန်ကြားပေးရန် ရည်ညွှန်းချက်ပါစာဖြင့် ညှိနှိုင်းမေတ္တာရပ်ခံလာပါသည်။

၂။ သို့ဖြစ်ပါ၍ Section - 26 ပါ Books and Accounts and Audits နှင့် Annexure "C" ပါ Accounting Procedure များနှင့်စပ်လျဉ်း၍ ဤရုံးမှသဘောထားမှတ်ချက် ဖော်ပြရန် မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုစာရင်းစစ်ချုပ် (ကိုယ်စား)
(မျိုးမြင့်၊ ဒုတိယစာရင်းစစ်ချုပ်)

မိတ္တူ

နိုင်ငံတော်သမ္မတရုံး
သမ္မတဦးစီးရုံး
ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး
ရုံးလက်ခံ
မျှော

(ဂ) အဆိုပါ စီမံကိန်းနှင့်ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာနမှ ရရှိသည့် ဝင်ငွေများအား သက်ဆိုင်ရာ ဘဏ္ဍာရေးနှစ်၏ ရသုံးခန့်မှန်းခြေငွေစာရင်းတွင် ထည့်သွင်းလျာထား ရမည်ဖြစ်ပါ သည်။

(ဃ) အဆိုပါ စီမံကိန်းနှင့်ပတ်သက်၍ MOGE မှ ကျခံရမည့် အသုံးစရိတ်များရှိပါက သက်ဆိုင်ရာ ဘဏ္ဍာရေးနှစ်တွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပြီး အဆိုပါ လျာထားချက်ကို ပြည်ထောင်စုလွှတ်တော်၏ အတည်ပြုချက်ရရှိမှသာ ကျခံသုံးစွဲ နိုင်မည်ဖြစ်ပါသည်။

(င) အခွန်ဆိုင်ရာကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ တည်ဆဲအခွန်ဆိုင်ရာဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းနှင့် အမိန့်ကြော်ငြာစာများပါ ပြဋ္ဌာန်းချက်များနှင့်အညီ လိုက်နာဆောင်ရွက် သွားရန်လိုအပ်မည်ဖြစ်ပါသည်။

(စ) Section (17) Rights and Obligation of MOGE and Contractor ခေါင်းစဉ် အောက်ရှိ အပိုဒ်ခွဲ 17.1(b) (i)တွင် မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့် စက် ပစ္စည်းကိရိယာတန်ဆာပလာများအတွက် ပေးဆောင်ရမည့် အခွန်အခများကို Contractorမှ ပေးဆောင်ရန်နှင့် MOGE မှ ကူညီဆောင်ရွက်ပေးရန်ဖြစ်ပြီး အပိုဒ်ခွဲ 17.2 (d) တွင် မြန်မာနိုင်ငံအတွင်းကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ် များအတွက် ကျသင့်သည့်အခွန်အခများအား Contractor မှ ပေးဆောင်ရန် ဟု ဖော်ပြထားရာ မြန်မာနိုင်ငံအတွင်း တင်သွင်းလာသော စက်ပစ္စည်းကိရိယာ တန်ဆာ ပလာများနှင့် ကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် Contractorမှ ကျသင့်သည့် အခွန်အခများအား ပေးဆောင်ရာတွင် အကောက်ခွန် ဦးစီးဌာနမှ ပြဋ္ဌာန်းထားသည့် လုပ်ထုံးလုပ်နည်းများနှင့်အညီ ဆောင်ရွက်ရမည်ဖြစ် ပါသည်။

(ဆ) အပိုဒ်ခွဲ 17.1(b)(iii) တွင် Contractor များမှ Personal Use အဖြစ် တင်သွင်း လာသည့်ဆေးလိပ်၊အရက်နှင့် အခြားပစ္စည်းများအပေါ်တွင် သွင်းကုန်ခွန်၊ ပို့ကုန်ခွန်၊ အကောက်ခွန်နှင့် အခြားအခွန်အခများအား ပေးဆောင်ခြင်းမပြုရန်အတွက် MOGE မှ ကူညီဆောင်ရွက်ပေးရန်ဟု ဖော်ပြထားရာ Personal Use အဖြစ် တင်သွင်းလာ သည့် ပစ္စည်းများနှင့် ပတ်သက်၍ အကောက်ခွန်ဦးစီးဌာန၏ ၁၀-၈-၂၀၁၂ ရက်စွဲပါ အမိန့်ကြော်ငြာစာအမှတ် ၊ ၅၇ -က-၂၀၀၇ ဖြင့် ထုတ်ပြန်ထားသည့် ခရီးသည် ကိုယ်သုံးဝန်စည်များကိုသာ အခွန်ကင်းလွတ်ခွင့် ရရှိမည်ဖြစ်ပါသည်။

(ဓ) အပိုဒ် 17.2 (g) နှင့် (h) တို့တွင် လုပ်ငန်းအတွက် လိုအပ်၍ တင်သွင်းလာသည့် ပစ္စည်းများနှင့် ၄င်းရမ်းအသုံးပြုသည့်ပစ္စည်းများ မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့်အခါ Drawbacks စနစ်ဖြင့် တင်သွင်းရန်ဟု ဖော်ပြထားရာ Drawbacks စနစ်ဖြင့် တင်သွင်းလာမည့် ပစ္စည်းများနှင့် ပတ်သက်၍ ပင်လယ်အကောက်ခွန် အက်ဥပဒေပုဒ်မ ၄၂ နှင့် အကောက်ခွန်ဦးစီးဌာန၏ အမြဲတမ်းအမိန့် (၂/ ၂၀၁၃)တို့အား လိုက်နာကျင့်သုံးဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

၂။ လိုအပ်သလို ဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး(ကိုယ်စား)
(ဒေါက်တာလင်းအောင်၊ဒုတိယဝန်ကြီး)

မိတ္တူကို-
မြန်မာနိုင်ငံခြားကုန်သွယ်မှုဘဏ်
ငွေတိုက်ဦးစီးဌာန
ပြည်တွင်းအခွန်များဦးစီးဌာန
အကောက်ခွန်ဦးစီးဌာန

လျှို့ဝှက်

၄၆

နောက်ဆက်တွဲ(ဈ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန
ပြည်ထောင်စုဝန်ကြီးရုံး

စာအမှတ်၊ အမစ-၁/ ၃/ ၉ (၆၃၃၄ /၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ခုနှစ် နိုဝင်ဘာလ ၁၈ ရက်

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ TRG M 15 Pte. Ltd နှင့် Century Bright Gold Co. Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း)အပေါ် သဘောထားပြန်ကြားခြင်း**

ရည် ညွှန်း ချက်။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၃၀-၁၀-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/ ၉၀၉/ ထ (၉၁၆/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ TRG M 15 Pte. Ltd နှင့် Century Bright Gold Co. Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း)အပေါ် အောက်ပါသဘောထား ပေးပို့အပ်ပါသည်-

(က) စာချုပ် (မူကြမ်း)အရ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ TRG M 15 Pte. Ltd နှင့် Century Bright Gold Co. Ltd တို့အကြား တနင်္သာရီ ကမ်းလွန်ဒေသ လုပ်ကွက်M-15တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် ချုပ်ဆိုမည်ဖြစ်ကြောင်း တွေ့ရှိရပါသည်။

(ခ) စာချုပ် (မူကြမ်း)ပါ သတ်မှတ်ချက်များသည် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ကန်ထရိုက်တာ နိုင်ငံခြားကုမ္ပဏီတို့အကြား ကမ်းလွန်လုပ်ကွက်များအတွက် လက်မှတ်ရေးထိုး ချုပ်ဆိုခဲ့သည့် Production Sharing Contract ပါ သတ်မှတ်ချက်များကို အခြေခံ၍ ပြုစုထားခြင်းဖြစ်ကြောင်း ဖော်ပြထားပါသည်။

(ဂ) စာချုပ် (မူကြမ်း)ပါ စာချုပ်ဝင်ကန်ထရိုက်တာ ကုမ္ပဏီများသည် တရားဝင်ဖွဲ့စည်းတည်ထောင်ထားသော ကုမ္ပဏီ ဟုတ်-မဟုတ်၊ ငွေရေးကြေးရေး အထောက်အထားခိုင်မာမှု ရှိ-မရှိနှင့် တရားဝင်လက်မှတ်ရေးထိုးပိုင်ခွင့်ရှိသူ ဟုတ်-မဟုတ် ကုမ္ပဏီဆိုင်ရာ အထောက်အထားများနှင့် တိုက်ဆိုင်စိစစ်ရန် လိုအပ်မည်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဃ) စာချုပ် (မူကြမ်း)ပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော်ဆောင်ရွက်ရာတွင် တည်ဆဲပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဥပဒေ (၂၀၁၂) နှင့် မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ အမိန့်ကြော်ငြာစာအမှတ် (၁/၂၀၁၃)နှင့်အညီ ဆောင်ရွက်ရန်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(င) စာချုပ် (မူကြမ်း)ပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော်ဆောင်ရွက်ရာတွင် ပြည်ထောင်စုလွှတ်တော်ဆိုင်ရာဥပဒေကို ပြင်ဆင်သည့်ဥပဒေ(၂၀၁၄ ခုနှစ်၊ ပြည်ထောင်စု လွှတ်တော်ဥပဒေအမှတ် ၂)နှင့်အညီ ဆောင်ရွက်ရန်ဖြစ်ပါသည်။

(စ) ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံသည် Extractive Industries Transparency Inititative (EITI)၏ အဖွဲ့ဝင်လောင်းနိုင်ငံဖြစ်ပါသဖြင့် ဤစာချုပ်ပါလုပ်ငန်းများကို ၂၀၁၃ ခုနှစ် EITI Standard နှင့်အညီ ဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဆ) စာချုပ် (မူကြမ်း)ပါ မိမိဘက်မှ တာဝန်ယူဆောင်ရွက်ပေးရမည့် ကိစ္စများနှင့် လုပ်ငန်း ကျွမ်းကျင်မှုဆိုင်ရာ သတ်မှတ်ချက်များနှင့် စပ်လျဉ်း၍ နိုင်ငံတော်၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းစည်းကမ်းများ၊ လုပ်ထုံးလုပ်နည်းများနှင့် ညီညွတ်မှုရှိရန် လိုအပ် မည်ဖြစ်ပါသဖြင့် သက်ဆိုင်ရာလုပ်ငန်း အကောင်အထည်ဖော်မည့်ဌာန၊ အဖွဲ့အစည်းမှ တာဝန်ယူစိစစ်ရန် ဖြစ်ပါသည်။

၂။ စာချုပ် (မူကြမ်း)ပါ သတ်မှတ်ချက်များအပေါ် သက်ဆိုင်ရာ စွမ်းအင်ဝန်ကြီးဌာနမှ သဘောတူ လက်ခံပါက ဤဝန်ကြီးဌာနအနေဖြင့် အထူးမှတ်ချက်ပြုရန် မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

၃။ စာချုပ် ချုပ်ဆိုပြီးပါက မိတ္တူ (၃)စောင်ကို ဤဝန်ကြီးဌာနသို့ ပေးပို့ပေးပါရန် မေတ္တာရပ်ခံအပ် ပါသည်။

(signature) 14/11/2014

ဒုတိယဝန်ကြီး(ကိုယ်စား)

(ထွန်းထွန်းနိုင်၊ ညွှန်ကြားရေးမှူးချုပ်)

မိတ္တူကို

ပြည်ထောင်စုဝန်ကြီးရုံး၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ဒုတိယဝန်ကြီး (၂)ရုံးခန်း၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ရင်းနှီးမြှုပ်နှံမှုနှင့် ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန
အမျိုးသားမှတ်တမ်းများမော်ကွန်းတိုက်ဦးစီးဌာန
ရုံးလက်ခံ/မျှောစာတွဲ

နောက်ဆက်တွဲ(ည)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်

စွမ်းအင်စီမံရေးဦးစီးဌာန
ဘဏ္ဍာမှတ် ၄၆
ရက်စွဲ ၁၇-၁၁-၁၄
Energy Planning Depart.

၅၁
၁၈/၁၁
(၁၂:၅၀)

စာအမှတ်၊ မဗဘ/ဘဏ်စီစစ်/၄(၃၉၆/၂၀၁၄)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၁၄ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-15 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)အပေါ် သဘောထားမှတ်ချက် ပြန်ကြားခြင်း ကိစ္စ**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၃၀-၁၀-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၀၉/ထ (၉၁၃/၂၀၁၄)

တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-15 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE)နှင့် TRG M15 Pte. Ltd၊ CFG Energy Pte. Ltd နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Century Bright Gold Co., Ltd. တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း) အပေါ် ရည်ညွှန်းချက်ပါစာဖြင့် သဘောထားမှတ်ချက်တောင်းခံလာခြင်းနှင့်စပ်လျဉ်း၍ မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်၏ သဘောထားမှတ်ချက်အား အောက်ပါအတိုင်း ပြန်ကြားအပ်ပါသည်-

- စာချုပ်(မူကြမ်း) Annexure G တွင် MOGE နှင့် စာချုပ်ချုပ်ဆိုမည့် Contractor အား " BERLANGA Myanmar Pte.Ltd" ဟု ဖော်ပြထားသည်ကို "TRG M15 Pte. Ltd၊ CFG Energy Pte. Ltd နှင့် Century Bright Gold Co., Ltd." ဟု ပြင်ဆင်ဖော်ပြရန်ဖြစ်ပါသည်။

၁၄/၁၁/၂၀၁၄

(ခင်စောဦး)

ဒုတိယဥက္ကဋ္ဌ

လျှို့ဝှက်

နောက်ဆက်တွဲ(၄)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
သမ္မတရုံးဝန်ကြီးဌာန(၃)

စွမ်းအင်စီမံရေးဦးစီးဌာန
စာအမှတ် ၁၃
ရက်စွဲ ၅-၁-၁၅
Energy Planning Department

၇၇
၂/၁
(၁၆၀၀)

စာအမှတ်၊ ၁၁ (၁) / ၁၄ / သမ္မတရုံး
ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၂ ရက်

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

အကြောင်းအရာ။ **ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ (၁ / ၂၀၁၅)၏ မှတ်တမ်းကောက်နုတ်ချက် တင်ပြခြင်းကိစ္စ**

၁။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီအစည်းအဝေး (၁ / ၂၀၁၅) ကို ၁ - ၁ - ၂၀၁၅ ရက်နေ့ (ကြာသပတေးနေ့)တွင် သမ္မတရုံးဝန်ကြီးဌာန(၃)၊ ရုံးအမှတ်(၁၄) အစည်းအဝေးခန်းမ၌ ကျင်းပပြုလုပ်ခဲ့ပါသည်။

၂။ အဆိုပါအစည်းအဝေး၌ ဆွေးနွေးခဲ့သည့် အကြောင်းအရာများ၏ ကောက်နုတ်ချက်များကို သိရှိနိုင်ပါရန် ပူးတွဲပါဇယားဖြင့် တင်ပြအပ်ပါသည်။

ဥက္ကဋ္ဌ
ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ

မိတ္တူကို

နိုင်ငံတော်သမ္မတရုံး
ပြည်ထဲရေးဝန်ကြီးဌာန
ဆက်သွယ်ရေးနှင့်သတင်းအချက်အလက်နည်းပညာဝန်ကြီးဌာန
ပို့ဆောင်ရေးဝန်ကြီးဌာန

လျှို့ဝှက်

စဉ်	တင်ပြသည့်ဝန်ကြီးဌာန	အကြောင်းအရာ	ဆုံးဖြတ်ချက်
၁၃။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ROC Oil (Myanmar) Pte., Ltd. ၊ TAP Energy (M-7) Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင် ကုမ္ပဏီ Smart E & P International Co., Ltd. တို့အား မုတ္တမကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-7 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၄။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ TRG M 15 Pte., Ltd. ၊ CFG Energy Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Century Bright Gold Co., Ltd. တို့အား တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-15 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့် ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၅။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၂ ခု တို့သည် မုတ္တမကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၂)/ ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၃ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆို လုပ်ကိုင်ခွင့်ကိစ္စ**

ရည် ညွှန်း ချက် ။ ယင်း၏ ၂၂-၁၂-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၀၉/ထ (၁၀၄၂/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ TRG M 15 Pte., Ltd ၊ CFG Energy Pte., Ltd နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Century Bright Gold Co., Ltd တို့ကို တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M - 15 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းအား လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်သွားရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

သမ္မတရုံးဝန်ကြီးဌာန(၃)

သမ္မတရုံးဝန်ကြီးဌာန(၅)

ကြည့်ရှုပြီး

ညွှန်ချုပ်	
ဒု-ညွှန်ချုပ်	
ညွှန်မှူး	
ညွှန်မှူး	
ညွှန်မှူး	

လျှို့ဝှက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
စွမ်းအင်ဝန်ကြီးဌာန
(ဝန်ကြီးရုံး)

၁၄
ရက်စွဲ ၆.၃.၁၅

အကြောင်းအရာ။ မှတ်တမ်းကောက်နုတ်ချက်ပေးပို့ခြင်း

ရည်ညွှန်းချက်။ (၁) စွမ်းအင်ဝန်ကြီးဌာန၏ ၂-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၀၀၈ / ၉၀၇ / ထ(၇၁/၂၀၁၅)

(၂) ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး၏ ၂၆-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၃၄/၂၅၇/ အဖရ(၄/၂၀၁၅)

အထက်ရည်ညွှန်း(၁)ပါစာဖြင့် တင်ပြထားသော စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၃ ခုတို့အား ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 ၊ လုပ်ကွက်MD-4 တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contracts-PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန် တင်ပြခြင်းကိစ္စနှင့်ပတ်သက်၍ ၁၃-၂-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စု အစိုးရအဖွဲ့ အစည်းအဝေးအမှတ်စဉ်(၄/၂၀၁၅)မှ သဘောတူပါကြောင်း ရည်ညွှန်း(၂)ပါစာဖြင့် အကြောင်းကြားလာပါသဖြင့် လိုအပ်သလိုဆက်လက်ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

(ပုံ)
ဒုတိယဝန်ကြီး(ကိုယ်စား)
(ဌေးအောင်၊ရုံးအဖွဲ့မှူး)

စွမ်းအင်စီမံရေးဦးစီးဌာန

စာအမှတ်၊ ၅-၂ စွမ်းအင်(၁) (၇၉၉) ၂၀၁၅
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ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA) bizFILE

INFORMATION RESOURCES

Business Profile (Company) of TRG M15 PTE. LTD. (201429502R)

Date: 02/10/2014

The Following Are The Brief Particulars of:

Registration No. : 201429502R

Company Name. : TRG M15 PTE. LTD.

Former Name if any :

Incorporation Date : 02/10/2014

Company Type : LIMITED PRIVATE COMPANY

Status : Live Company

Status Date : 02/10/2014

Principal Activities

Activities (I) : 09002

Description : OIL AND GAS EXPLORATION AND DEVELOPMENT

Activities (II) :

Description :

Capital

Issued Share Capital (AMOUNT)	Number of shares	Currency	Share Type
1.00	1	SINGAPORE, DOLLARS	ORDINARY

*** Number of Shares includes number of Treasury Shares**

Paid-Up Capital (AMOUNT)	Number of shares	Currency	Share Type
1.00		SINGAPORE, DOLLARS	ORDINARY

COMPANY HAS THE FOLLOWING ORDINARY SHARES HELD AS TREASURY SHARES

Number Of Shares	Currency

Registered Office Address : 261 LAVENDER STREET
#02-01
SINGAPORE (338794)

Date of Address : 02/10/2014

INFORMATION RESOURCES

WHILST EVERY ENDEAVOR IS MADE TO ENSURE THAT INFORMATION PROVIDED IS UPDATED & CORRECT. THE AUTHORITY DISCLAIMS ANY LIABILITY FOR ANY DAMAGE OR LOSS THAT MAY BE CAUSED AS A RESULT OF ANY ERROR OR OMISSION.

Business Profile (Company) of TRG M15 PTE. LTD. (201429502R) **Date: 02/10/2014**

Date of Last AGM :

Date of Last AR :

Date of A/C Laid at Last AGM :

Date of Lodgment of AR, A/C :

Audit Firms

NAME
P S PHUAN & CO

Charges

Charge No.	Date Registered	Currency	Amount Secured	Chargee(s)

Officers/Agents

Name / Address	ID	Nationality / Position Held	Source of Address	Date of Appointment
CHAI KWOK SENG ANTHONY	S1241866C	SINGAPORE CITIZEN	ACRA	02/10/2014
13 NORMANTON PARK #02-125 NORMANTON PARK SINGAPORE (119010)		DIRECTOR		
TAN GIM SOON	S6829824E	SINGAPORE CITIZEN	ACRA	02/10/2014
261 LAVENDER STREET #02-01 SINGAPORE (338794)		SECRETARY		

INFORMATION RESOURCES

Business Profile (Company) of TRG M15 PTE. LTD. (201429502R) Date: 02/10/2014

Shareholder (s)

	Name / Address	ID	Nationality/Place of Incorporation/Origin	Source of Address	Address Changed
1	TRG METALS PTY LTD LEVEL 14 191 ST GEORGES TERRACE PERTH WA 6000 AUSTRALIA	T14UF3964J		ACRA	

Ordinary (Number)	Currency
1	SINGAPORE, DOLLARS

Abbreviation

UL - Local Entity not registered with ACRA

UF - Foreign Entity not registered with ACRA

V/Share - Value Per Share

AR - Annual Return

AGM - Annual General Meeting

VC - Accounts

OSCARS - One Stop Change of Address Reporting Service by Immigration & Checkpoint Authority.

PLEASE NOTE THAT INFORMATION HEREIN CONTAINED IS EXTRACTED FROM FORMS/TRANSACTIONS FILED WITH THE AUTHORITY

FOR REGISTRAR OF COMPANIES AND BUSINESSES
SINGAPORE

RECEIPT NO. : ACR0000005765074A

DATE : 02/10/2014

INFORMATION RESOURCES

Business Profile (Company) of TRG M15 PTE. LTD. (201429502R) Date: 02/10/2014

This is computer generated. Hence no signature required.

Gmail by Google

kyaw kyaw <kokyaw@gmail.com>

Director of CFG & TRG

Kevin Flaherty <kevin.flaherty@saigonam.com> Fri, Dec 12, 2014 at 10:07 AM
To: Aung Kyaw Htoo <kokyaw@gmail.com>
Cc: k.moe@canadianforesight.com, Kyaw Moe <kyawmoe2005@gmail.com>

Dear Sir,

For further clarification the directors of Canadian Foresight Group Pte. Ltd. are:

- Kevin Flaherty
- Songning Shen
- Gregory Turnbull
- Raymond Fong
- Siva Sothi S/O Sothinathan

The directors or CFG Energy Pte. Ltd. are the same individuals:

- Kevin Flaherty
- Songning Shen
- Gregory Turnbull
- Raymond Fong
- Siva Sothi S/O Sothinathan

The directors of TRG Metals Pty Ltd are:

- Anthony Augustine Trevisan
- Simon Trevisan
- Bruce Alexander McCracken
- Malcolm Castle

- Zin Mar Lin Win

The directors or TRG M15 Pte Ltd are:

- Simon Trevisan
- Bruce Alexander McCracken
- Michael Fritz Herbert Bonte-Friedheim
- Kwok Sen Anthony Chai

Best regards,

Kevin Flaherty

Executive Director

Canadian Foresight Group Pte. Ltd.

Email: k.flaherty@canadianforesight.com

Website: www.canadianforesightgroup.com

Mobile: +84 978706255

WRITTEN RESOLUTIONS OF THE BOARD OF DIRECTORS OF TRG M15 PTE. LTD. (THE "COMPANY") PASSED EFFECTIVE THE 25th DAY OF OCTOBER, 2014 PURSUANT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

WHEREAS the Company has entered Joint Operating Agreement (**"JOA"**), with CFG Energy Pte. Ltd. (**"CFG"**), a subsidiary of Canadian Foresight Group Pte. Ltd. and Century Bright Gold Co., Ltd. (**"CBG"**), a subsidiary of the Kaung Myanmar Aung Group of Companies in respect of Myanmar offshore block M15. It is proposed that CFG will be appointed to act as operator (**"Operator"**) under the terms of the JOA;

NOW THEREFORE BE IT RESOLVED THAT:

1. The Company be and is hereby authorized to accept the designation of CFG as Operator in accordance with Article 4 of the JOA.

2. The Company is hereby authorized to take all such steps and actions and execute all such other agreements, documents, deeds and instruments as may be necessary or desirable to give effect to CFG's appointment as Operator.

3. Mr. Simon Trevisan, as Managing Director, and any director or officer of the Company is hereby authorized and directed and authorized to do and perform all such acts, deeds and things and execute and deliver, whether under corporate seal of the Company or otherwise, and to deliver and file or cause to be executed, delivered or filed in the name and on behalf of the Company or otherwise all such documents, deeds or other writings which in such persons discretion acting in such capacity shall deem necessary, desirable or proper in order to effect the foregoing resolutions.

[Balance of Page Intentionally Left Blank.]

DATED as of the first date written above.

We, the undersigned, being all of the directors of the Company, hereby consent to and approve of the passing of the foregoing resolutions, effective as of the day first above written, as evidenced by our signatures hereto. This resolution may be executed in as many counterparts as are necessary and all counterparts together shall constitute the resolution. Facsimile signatures shall and do hereby constitute valid approval of these resolutions.

SIMON TREVISAN

B. A. Mc

BRUCE McCRACKEN

Bonte-Friedheim

MICHAEL BONTE FRIEDHEIM

ANTHONY CHAI

DATED as of the first date written above.

We, the undersigned, being all of the directors of thc Company, hereby consent to and approve of the passing of the foregoing resolutions, effective as of the day first above written, as evidenced by our signatures hereto. This resolution may be executed in as many counterparts as are necessary and all counterparts together shall constitute the resolution. Facsimile signatures shall and do hereby constitute valid approval of these resolutions.

SIMON TREVISAN	**BRUCE McCRACKEN**
MICHAEL BONTE FRIEDHEIM	**ANTHONY CHAI**

TRG METALS PTY LTD
ACN 142 240 864
("Company")

CIRCULAR RESOLUTION OF DIRECTORS
DATED 6 OCTOBER 2014

In accordance with the Company's Constitution, **IT WAS RESOLVED**:

(1) The Company is authorised to establish TRG M1S PTE. LTD, a Singapore subsidiary, for the purpose of holding and operating the Company's interest in Myanmar offshore Block M15 as awarded by the Government of the Union of Myanmar; and

(2) The Company is hereby authorised to take all such steps and actions and execute all such other agreements, documents, deeds and instruments as may be necessary or desirable to give effect to the establishment of TRG M15 PTE. LTD.

....
Anthony Trevisan

....
Malcolm Castle

....
Bruce McCracken

....
Simon Trevisan

Subject :	Transaction Notification (C140220245)	Received :	20/05/2014
From :	BIZFILE SYSTEM MESSAGE	Message Expiry :	20/08/2014

Company No.:201414557N
NOTICE OF INCORPORATION

This is to confirm that CFG ENERGY PTE. LTD. is incorporated under the Companies Act(Cap.50), on and from 20/05/2014 and that the Company is a PRIVATE COMPANY LIMITED BY SHARES.

Events@ACRA.

Calendar of events to meet your business essentials.

To find out more, please click here - http://www.acra.gov.sg/News_and_Events/Events.htm

DATED as of the first date written above.

We, the undersigned, being all of the directors of the Company, hereby consent to and approve of the passing of the foregoing resolutions, effective as of the day first above written, as evidenced by our signatures hereto. This resolution may be executed in as many counterparts as are necessary and all counterparts together shall constitute the resolution. Facsimile signatures shall and do hereby constitute valid approval of these resolutions.

SONGNING SHEN

KEVIN FLAHERTY

RAYMOND S. FONG

GREGORY G. TURNBULL

SIVA SOTHI S/O K SOTHINATHAN

DATED as of the first date written above.

We, the undersigned, being all of the directors of the Company, hereby consent to and approve of the passing of the foregoing resolutions, effective as of the day first above written, as evidenced by our signatures hereto. This resolution may be executed in as many counterparts as are necessary and all counterparts together shall constitute the resolution. Facsimile signatures shall and do hereby constitute valid approval of these resolutions.

SONGNING SHEN

KEVIN FLAHERTY

RAYMOND S. FONG

GREGORY G. TURNBULL

SIVA SOTHI S/O K SOTHINATHAN

Subject: Email Notification.

This is a system-generated email.Please do not reply to this email.
If you have any enquiry, please visit our interactive web service at www.acra.gov.sg/askacra for more information.

Dear Sir/Madam

Company No.:201429502R

NOTICE OF INCORPORATION

This is to confirm that TRG M15 PTE. LTD. is incorporated under the Companies Act(Cap.50), on and from 02/10/2014 and that the Company is a PRIVATE COMPANY LIMITED BY SHARES.

Thank You

Accounting and Corporate Regulatory Authority (ACRA)
10 Anson Road
#05-01/15 International Plaza
Singapore 079903

****

bizFILE

THE COMPANIES ACT, (CAP.50)
LIMITED PRIVATE COMPANY
MEMORANDUM AND ARTICLES OF ASSOCIATION OF
TRG M15 PTE. LTD.

1. The name of the company is **TRG M15 PTE. LTD.**
2. The Registered Office of the Company will be situated in the Republic of Singapore.
   261, LAVENDER STREET, #02-01, SINGAPORE - 338794
3. The liability of the members is limited.
4. The share capital of the company upon Incorporation is SINGAPORE, DOLLARS (SGD) 1
5. I/We, the several persons/person whose name(s), address(es) and occupation(s) is/are hereunto subscribed is/are desirous of being formed into
   a company in pursuance of this Memorandum of Association and I/we respectively agree to take the number of shares in the capital of the Company set opposite our respective name(s).

lames, Addresses and occupation of subscribers	Number of Shares	Class of Shares	Currency
TRG METALS PTY LTD, LEVEL 14 191 ST GEORGES TERRACE PERTH WA 6000 AUSTRALIA	1	Ordinary	SINGAPORE, DOLLARS

Dated this 02 day of Oct 2014

Articles of Association

FOURTH SCHEDULE

Sections 3 (3), 36, 37 (3), 177 (4).
Aust. 4th Schedule.

TABLE A

REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES

Interpretation

1. In these Regulations -

"Act" means the Companies Act;

Cap. 50.

"seal" means the common seal of the company;

"secretary" means any person appointed to perform the duties of a secretary of the company;

expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

words or expressions contained in these Regulations shall be interpreted in accordance with the provisions of the Interpretation Act, and of the Act as in force at the date at which these Regulations become binding on the company.

Cap. 1.

Share capital and variation of rights

2. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, shares in the company may be issued by the directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the directors, subject to any ordinary resolution of the company, determine. The company shall have not more than 50 members (counting joint holders of shares as one person and not counting any person in the employment of the company or of its subsidiary or any person who while previously in the employment of the company or of its subsidiary was and thereafter has continued to be a member of the company).

3. Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the company are liable, to be redeemed.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up, be varied with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution section 184 shall with such adaptations as are necessary apply.

5. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

6. The company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10% of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The company may also on any issue of shares pay such brokerage as may be lawful.

7. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of a share or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive a certificate under the seal of the company in accordance with the Act but in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Lien

9. The company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a single person for all money presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

11. To give effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. The directors may from time to time make calls upon the members in respect of any money unpaid on their shares

and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.

14. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by installment.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 8% per annum as the directors may determine, but the directors shall be at liberty to waive payment of that interest wholly or in part.

17. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these Regulations be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

18. The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

19. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the company in general meeting shall otherwise direct) 8% per annum as may be agreed upon between the directors and the member paying the sum in advance.

Transfer of shares

20. No transfer of shares is to be made except to a person approved by the directors of the company.

20A. Subject to these Regulations, any member may transfer all or any of his shares by instrument in writing in any usual or common form or in any other form which the directors may approve. The instrument shall be executed by or on behalf of the transferor and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect thereof.

21. The instrument of transfer must be left for registration at the registered office of the company together with such fee, not exceeding $1 as the directors from time to time may require, accompanied by the certificate of the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the company shall subject to the powers vested in the directors by these Regulations register the transferee as a shareholder and retain the instrument of transfer.

22. The directors may decline to register any transfer of shares, not being fully paid shares to a person of whom they do not approve and may also decline to register any transfer of shares on which the company has a lien.

23. The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine not exceeding in the whole 30 days in any year.

Transmission of shares

24. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

25. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.

26. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions, and provisions of these Regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

27. Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his

estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the directors in that behalf, be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these Regulations, be deemed to be joint holders of the share.

Forfeiture of shares

28. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

29. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

31. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

32. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all money which, at the date of forfeiture, was payable by him to the company in respect of the shares (together with interest at the rate of 8% per annum from the date of forfeiture on the money for the time being unpaid if the directors think fit to enforce payment of such interest), but his liability shall cease if and when the company receives payment in full of all such money in respect of the shares.

33. A statutory declaration in writing that the declarant is a director or the secretary of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

34. The company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.

35. The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified.

Conversion of shares into stock

36. The company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares.

37. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.

38. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends voting at meetings of the company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.

39. Such of the regulations of the company as are applicable to paid-up shares shall apply to stock, and the words share and shareholder therein shall include stock and stockholder.

Alteration of capital

40. The company may from time to time by ordinary resolution do one or more of the following:

(a) increase the share capital by such sum as the resolution shall prescribe;

(b) consolidate and divide all or any of its share capital;

(c) subdivide its shares or any of them, so however that in the subdivision the proportion between the amount paid and the amount, If any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(d) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.

41. Subject to any direction to the contrary that may be given by the company in general meeting, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of those shares in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this regulation.

42. The company may by special resolution reduce its share capital in any manner and with, and subject to, any incident authorised, and consent required by law.

General meeting

43. An annual general meeting of the company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings.

44. Any director may, whenever he thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Act.

45. Subject to the provisions of the Act relating to special resolutions and agreements for shorter notice, 14 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business the general nature of that business shall be given to such persons as are entitled to receive such notices from the company.

46. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheets, and the report of the directors and auditors, the election of directors in the place of those retiring, and the appointment and fixing of the remuneration of the auditors.

Proceedings at general meetings

47. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two members present in person shall form a quorum. For the purposes of this regulation member includes a person attending as a proxy or as representing a corporation which is a member.

48. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine.

49. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall elect one of their number to be chairman of the meeting.

50. The chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

51. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded -

(a) by the chairman;

(b) by at least 3 members present in person or by proxy;

(c) by any member or members present in person or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or

(d) by a member or members holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

52. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

53. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

54. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present who is a member or a representative of a member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each share he holds.

55. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

56. A member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney.

57. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

59. The instrument appointing a proxy shall be in writing, in the common or usual form, under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

60. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

I/We, , of being a member/members of the abovenamed company, hereby appoint , of , or failing him, of , , as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, *as the case may be*] general meeting of the company, to be held on the day of 19 , and at any adjournment thereof.

Signed this day of 19 .

This form is to be used <u>*In favour of</u> the resolution.
against

*Strike out whichever is not desired. [Unless otherwise instructed, the proxy may vote as he thinks fit.]

61. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the comp any, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

62. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, mental disorder, revocation, or transfer as aforesaid has been received by the company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

Directors: Appointment, etc.

63. At the first annual general meeting of the company all the directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one-third, shall retire from office.

64. A retiring director shall be eligible for re-election.

65. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

66. The company at the meeting at which a director so retires may fill the vacated office by electing a person thereto, and in default the retiring director shall if offering himself for re-election and not being disqualified under the Act from holding office as a director be deemed to have been re-elected, unless at that meeting it is expressly resolved not to fill the vacated office or unless a resolution for the re-election of that director is put to the meeting and lost.

67. The company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

68. The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed in accordance with these Regulations. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

69. The company may by ordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

70. The remuneration of the directors shall from time to time be determined by the company in general meeting. That remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel, and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

71. The shareholding qualification for directors may be fixed by the company in general meeting.

72. The office of director shall become vacant if the director -

(a) ceases to be a director by virtue of the Act;

(b) becomes bankrupt or makes any arrangement or composition with his creditors generally;

(c) becomes prohibited from being a director by reason of any order made under the Act;

(d) becomes disqualified from being a director by virtue of section 148, 149, 154 or 155;

13/87.

(e) becomes mentally disordered and incapable of managing himself or his affairs or a person whose person or estate is liable to be dealt with in any way under the law relating to mental capacity;

(f) subject to section 145, resigns his office by notice in writing to the company;

13/87.

(g) for more than 6 months is absent without permission of the directors from meetings of the directors held during that period;

(h) without the consent of the company in general meeting, holds anyother office of profit under the company except that of managing director or manager; or

(i) is directly or indirectly interested in any contract or proposed contract with the company and fails to declare the nature of his interest in manner required by the Act.

Powers and duties of directors

73. The business of the company shall be managed by the directors who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not, by the Act or by these Regulations, required to be exercised by the company in general meeting, subject, nevertheless, to any of these Regulations, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid Regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general

meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

74. The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the company or of any third party.

75. The directors may exercise all the powers of the company in relation to any official seal for use outside Singapore and in relation to branch registers.

76. The directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the directors under these Regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretions vested in him.

77. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any two directors or in such other manner as the directors from time to time determine.

78. The directors shall cause minutes to be made -

(a) of all appointments of officers to be engaged in the management of the company's affairs;

(b) of names of directors present at all meetings of the company and of the directors; and

(c) of all proceedings at all meetings of the company and of the directors.

Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

Proceedings of directors

79. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A director may at any time and the secretary shall on the requisition of a director summon a meeting of the directors.

80. Subject to these Regulations, questions arising at any meeting of directors shall be decided by a majority of votes and a determination by a majority of directors shall for all purposes be deemed a determination of the directors. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

81. A director shall not vote in respect of any contract or proposed contract with the company in which he is interested, or any matter arising thereout, and if he does so vote, his vote shall not be counted.

82. Any director with the approval of the directors may appoint any person, whether a member of the company or not, to be an alternate or substitute director in his place during such period as he thinks fit. Any person while he so holds office as an alternate or substitute director shall be entitled to notice of meetings of the directors and to attend and vote thereat accordingly, and to exercise all the powers of the appointor in his place. An alternate or substitute director shall not require any share qualification, and shall ipso facto vacate office if the appointor vacates office as a director or removes the appointee from office. Any appointment or removal under this regulation shall be effected by notice in writing under the hand of the director making the same.

83. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.

84. The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number or of summoning a general meeting of the company, but for no other purpose.

85. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.

86. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

87. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.

88. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.

89. All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

90. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more directors.

90A. Where the company has only one director, he may pass a resolution by recording it and signing the record.

Managing directors

91. The directors may from time to time appoint one or more of their body to the office of managing director for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment. A director so appointed shall not, while holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors, but his appointment shall be automatically determined if he ceases from any cause to be a director.

92. A managing director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration, whether by way of salary, commission, or participation in profits, or partly in one way and partly in another, as the directors may determine.

93. The directors may entrust to and confer upon a managing director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of those powers.

94. The directors may from time to time appoint any person to be an associate director and may from time to time cancel any such appointment. The directors may fix, determine and vary the powers, duties and remuneration of any person so appointed, but a person so appointed shall not be required to hold any shares to qualify him for appointment nor have any right to attend or vote at any meeting of directors except by the invitation and with the consent of the directors.

Secretary

95. The secretary shall in accordance with the Act be appointed by the directors for such term, at such remuneration, and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

Seal

96. The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors authorised by the directors in that behalf, and every instrument to which the seal is affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.

Accounts

97. The directors shall cause proper accounting and other records to be kept and shall distribute copies of balance-sheets and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or paper of the company except as conferred by statute or authorised by the directors or by the company in general meeting.

Dividends and reserves

98. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.

99. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

100. No dividend shall be paid otherwise than out of profits or shall bear interest against the company.

101. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares in the company) as the

directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

102. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

103. The directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

104. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors.

105. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders.

Capitalisation of profits

106. The company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

107. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

Notices

108. A notice may be given by the company to any member either personally or by sending it by post to him at his registered address, or, if he has no registered address in Singapore, to the address, if any, in Singapore supplied by him to the company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

109. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

110. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the bankrupt, or by any like description, at the address, if any, in Singapore supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

111. --(1) Notice of every general meeting shall be given in any manner hereinbefore authorised to -

(a) every member;

(b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and

(c) the auditor for the time being of the company.

(2) No other person shall be entitled to receive notices of general meetings.

Winding up

112. If the company is wound up, the liquidator may, with the sanction of a special resolution of the company, divide amongst the members in kind the whole or any part of the assets of the company, whether they consist of property of the same kind or not, and may for that purpose set such value as he considers fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity ********

113. Every director, managing director, agent, auditor, secretary, and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

Back

TRG Metals Pty Ltd
ACN 142 240 864

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Perth, Western Australia 6000
Telephone: (61) (8) 9321 5922
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Email: enquiry@transrg.com.au
Web: www.transrg.com.au

3 October 2014

The Directors
TRG M15 Pte. Ltd
261 Lavender Street #02-01
Singapore 338794
Republic of Singapore

Dear Sirs

We refer to your request that we provide you with comfort in respect to ensure going concern, the provision of financial support to you by TRG Metals Pty Ltd, and to assist you in meeting your liabilities as and when they fall due to the extent that funds are not otherwise available to you to meet such liabilities or obligations

We confirm we will continue to provide such financial support outlined above to TRG M15 Pte. Ltd for a period of at least the term of the production sharing contract to be entered into between Myanmar Oil and Gas Enterprise, CFG Energy Pte. Ltd, TRG M15 Pte. Ltd and Century Bright Gold Co. Ltd.

We undertake to inform you immediately in the event that any circumstances arise where we would no longer be able to provide such financial support to you.

You faithfully

Anthony Trevisan
Chairman
TRG Metals Pty Ltd

EMBASSY OF THE REPUBLIC OF THE UNION OF MYANMAR
22 Arkana Street, Yarralumla, Canberra, A.C.T. 2600
Tel: (02) 6273 3811 Fax: (02) 6273 3181
Email: mecanberra@bigpond.com

No. 452 /45

I, the undersigned, **TIN YU, Minister-Counsellor** of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, do hereby certify that the signature " **JILL PEADY** " and the seal on the annexed document are respectively the signature of **J Peady**, Foreign Affairs Officer and the seal of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia.

IN WITNESS whereof I have hereto set my hand and affixed the seal of the Embassy of the Republic of the Union of Myanmar, Canberra, ACT, this twelfth day of June Two Thousand and Thirteen.

TIN YU

MINISTER-COUNSELLOR

Transcontinental Group

Consolidated Transcontinental Resources Group Financial Report
Pro-forma Balance Sheet
as at 31 May 2013

Details	**31-May-13**
	USD '000
CURRENT ASSETS	
Cash and tradeable securities	20,000
Total Current Assets	20,000
FIXED ASSETS	
Real Property, plant & equipment	150,000
Total Fixed Assets	150,000
OTHER ASSETS	
Intangible Assets	25,000
Total Other Assets	25,000
TOTAL ASSETS	**195,000**
CURRENT LIABILITIES	
Creditors and borrowings	21,000
Total Current Liability	21,000
TOTAL LIABILITIES	**21,000**
NET ASSETS	**174,000**
SHAREHOLDERS' EQUITY	
Share Capital	50,000
Reserves	10,000
Retained Earnings / (Loss)	114,000
Total Shareholders' Equity	**174,000**

Notary Public
25, 140 St Georges Terrace
Western Australia

I, GREGORY ROBERT BOYLE Notary Public of Perth, Western Australia, having compared the original document of which this purports to be a photocopy HEREBY CERTIFY that this photocopy is a true copy of the original document of which it purports to be a photocopy.
Dated this day of June 2013

I, Jill Peady, an officer of the Department of Foreign Affairs and Trade, Perth, Western Australia, Australia, having been duly authorised by the Secretary of the Department of Foreign Affairs and Trade, **DO HEREBY CERTIFY** that the signature "Gregory Robert Boyle" appearing on the document on the reverse hereto is the true signature of Gregory Robert Boyle. In so certifying, neither I nor the Department of Foreign Affairs and Trade endorse, verify or make any statement as to the accuracy, truth, legality or otherwise of the contents of the document or the purposes for which the document may be used. Neither I nor the Department of Foreign Affairs and Trade accept liability for any loss, damage or injury arising out of the use of, or reliance on, the document or its contents. I provide no undertaking that I have read the contents of the document.

GIVEN under my Hand and the seal of the Department of Foreign Affairs and Trade this Seventh day of June, Two Thousand and Thirteenth.

For the Secretary
Department of Foreign Affairs and Trade

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE PERTH, WA

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA) bizFILE

INFORMATION RESOURCES

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Business Profile (Company) of CFG ENERGY PTE. LTD. (201414557N)

Date: 20/05/2014

The Following Are The Brief Particulars of :

Registration No. :	: 201414557N
Company Name. :	: CFG ENERGY PTE. LTD.
Former Name if any :	:
Incorporation Date :	: 20/05/2014
Company Type :	: LIMITED PRIVATE COMPANY
Status :	: Live Company
Status Date :	: 20/05/2014

Principal Activities

Activities (I) :	: 64202
Description :	: OTHER INVESTMENT HOLDING COMPANIES
Activities (II) :	:
Description :	:

Capital

Issued Share Capital* (AMOUNT)	Number of shares	Currency	Share Type
100.00	100	SINGAPORE, DOLLARS	ORDINARY

*** Number of Shares includes number of Treasury Shares**

Paid-Up Capital (AMOUNT)	Number of shares	Currency	Share Type
100.00		SINGAPORE, DOLLARS	ORDINARY

COMPANY HAS THE FOLLOWING ORDINARY SHARES HELD AS TREASURY SHARES

Number Of Shares	Currency

Registered Office Address :	: 732 UPPER CHANGI ROAD EAST #01-04 CASCADALE SINGAPORE (486860)
Date of Address :	: 20/05/2014

INFORMATION RESOURCES

Business Profile (Company) of CFG ENERGY PTE. LTD. (201414557N) Date: 20/05/2014

Date of Last AGM :

Date of Last AR :

Date of A/C Laid at Last AGM :

Date of Lodgment of AR, A/C :

Audit Firms

NAME

Charges

Charge No.	Date Registered	Currency	Amount Secured	Chargee(s)

INFORMATION RESOURCES

Business Profile (Company) of CFG ENERGY PTE. LTD. (201414557N)

Date: 20/05/2014

Officers/Agents

Name / Address	ID	Nationality / Position Held	Source of Address	Date of Appointment
RAYMOND S. FONG BOX 21024, 655 - 8 STREET, SW, CALGARY, AB, T2P 4H5, CANADA	BA385171	CANADIAN DIRECTOR	ACRA	20/05/2014
SONGNING SHEN 143 HAMPTONS HEATH NW, CALGARY, AB, CANADA T3A 5E7	BA387894	CANADIAN DIRECTOR	ACRA	20/05/2014
KEVIN FLAHERTY A603, CITY GARDEN APARTMENTS, 59 NGO TAT TO BINH THANH, HCMC, VIETNAM	GA139804	CANADIAN DIRECTOR	ACRA	20/05/2014
GREGORY G. TURNBULL 15 GARDEN LANE SW, CALGARY AB T2S 3E2	GB539195	CANADIAN DIRECTOR	ACRA	20/05/2014
SIVA SOTHI S/O K SOTHINATHAN 732 UPPER CHANGI ROAD EAST #01-04 CASCADALE SINGAPORE (486860)	S6861001Z	SINGAPORE P.R. DIRECTOR	ACRA	20/05/2014
SIVA SOTHI S/O K SOTHINATHAN 732 UPPER CHANGI ROAD EAST #01-04 CASCADALE SINGAPORE (486860)	S6861001Z	SINGAPORE P.R. SECRETARY	ACRA	20/05/2014

INFORMATION RESOURCES

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Business Profile (Company) of CFG ENERGY PTE. LTD. (201414557N) Date: 20/05/2014

Shareholder (s)

	Name / Address	ID	Nationality/Place of incorporation/Origin	Source of Address	Address Changed
1	CANADIAN FORESIGHT GROUP PTE. LTD. 732 UPPER CHANGI ROAD EAST #01-04 CASCADALE SINGAPORE (486860)	201413046C	SINGAPORE	ACRA	

Ordinary (Number)	Currency
100	SINGAPORE, DOLLARS

Abbreviation

UL - Local Entity not registered with ACRA

UF - Foreign Entity not registered with ACRA

V/Share - Value Per Share

AR - Annual Return

AGM - Annual General Meeting

A/C - Accounts

OSCARS - One Stop Change of Address Reporting Service by Immigration & Checkpoint Authority.

PLEASE NOTE THAT INFORMATION HEREIN CONTAINED IS EXTRACTED FROM FORMS/TRANSACTIONS FILED WITH THE AUTHORITY

INFORMATION RESOURCES

Business Profile (Company) of CFG ENERGY PTE. LTD. (201414557N) Date: 20/05/2014

FOR REGISTRAR OF COMPANIES AND BUSINESSES
SINGAPORE

RECEIPT NO. : ACR0001028257222

DATE : 20/05/2014

This is computer generated. Hence no signature required.

No. of Company

201414557N

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

CFG ENERGY PTE. LTD.

Incorporated on the 20th day of May 2014

Subject :	Transaction Notification (C140220245)	Received :	20/05/2014
From :	BIZFILE SYSTEM MESSAGE	Message Expiry :	20/08/2014

Company No.:201414557N
NOTICE OF INCORPORATION

This is to confirm that CFG ENERGY PTE. LTD. is incorporated under the Companies Act(Cap.50), on and from 20/05/2014 and that the Company is a PRIVATE COMPANY LIMITED BY SHARES.

Events@ACRA.

Calendar of events to meet your business essentials.

To find out more, please click here - http://www.acra.gov.sg/News_and_Events/Events.htm

THE COMPANIES ACT, (CAP. 50)

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

CFG ENERGY PTE. LTD.

---

1. The name of the Company is CFG ENERGY PTE. LTD.

2. The Registered Office of the Company will be situated in the Republic of Singapore.

3. The liability of the members is limited.

4. Subject to the provisions of the Companies Act, Cap. 50 and any other written law and the Memorandum and Articles of Association, the Company has:

   (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

   (b) for the purposes of paragraph (a), full rights, powers and privileges.

5. The share capital of the Company is denominated in Singapore dollars.

I/We, the several persons whose names, addresses and descriptions are hereunto subscribed, is/are desirous of being formed into a Company in pursuance of this Memorandum of Association and I/we respectively agree to take the number of shares in the capital of the Company set opposite my/our respective names:

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
Canadian Foresight Group Pte Ltd 732, Upper Changi Road East #01-04 Cascadale Singapore 486860 (A COMPANY INCORPORATED IN SINGAPORE)	ONE HUNDRED (100) 100
TOTAL NUMBER OF SHARES TAKEN	ONE HUNDRED (100)

Dated this 20 May 2014

Witness to the above signature:

Name: Xiaodi Jin
Passport No.: WQ521187 (Canada)
Address: 1607 – 1118 12th Ave SW, Calgary, AB, T2R0P4

THE COMPANIES ACT, (CAP. 50)

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CFG ENERGY PTE. LTD.

PRELIMINARY

1. The regulations contained in Table "A" in the Fourth Schedule to the Companies Act, Cap. 50 shall not apply to the Company, but the following shall subject to repeal, addition and alteration as provided by the Act or these Articles be the regulations of the Company.

INTERPRETATION

2. In these Articles:

"Act"	means the Companies Act, Cap. 50 any statutory modification or re-enactment thereof for the time being in force;
"seal"	means the common seal of the Company;
"secretary"	means any person appointed to perform the duties of a secretary of the Company;

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

Words or expressions contained in these Articles shall be interpreted in accordance with the provisions of the Interpretation Act, and of the Act as in force at the date at which these Articles become binding on the Company.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, shares in the Company may be issued by the directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the directors, subject to any Ordinary Resolution of the Company, determine.

4. Subject to the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.

5. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll, except that where there is only one holder of the shares of the class, that sole holder shall constitute the quorum for the meeting of the holders of that class of shares. To every such Special Resolution Section 184 shall with such adaptations as are necessary apply.

6. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

7. The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10% of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

8. Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company shall be cancelled.

9. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

10. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive a certificate under the seal of the Company in accordance with the Act but in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

LIEN

11. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a single person for all money presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of these Articles. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

12. The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien

exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

13. To give effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

15. The directors may from time to time make calls upon the members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed 25% of the value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.

16. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by instalments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 8% per annum as the directors may determine, but the directors shall be at liberty to waive payment of that interest wholly or in part.

19. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

20. The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

21. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the company in general meeting shall otherwise direct) 8% per annum as may be agreed upon between the directors and the member paying the sum in advance.

TRANSFER OF SHARES

22. Subject to these Articles, any member may transfer all or any of his shares by instrument in writing in any usual or common form or in any other form which the directors may approve. The instrument shall be executed by or on behalf of the transferor and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register of Members in respect thereof.

23. The instrument of transfer must be left for registration at the Registered Office of the Company together with such fee, not exceeding S$1.00 as the directors from time to time may require, accompanied by the certificate of the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the Company shall subject to the powers vested in the directors by these Articles register the transferee as a shareholder and retain the instrument of transfer.

24. The directors may decline to register any transfer of shares, whether paid or unpaid, to a person of whom they do not approve and may also decline to register any transfer of shares on which the Company has a lien.

25. If the directors refuse to register a transfer of any share, they shall, within 1 month from the date on which the application for transfer was made to the Company, send to the transferor and transferee notice of the refusal. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

26. The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine not exceeding in the whole 30 days in any year.

TRANSMISSION OF SHARES

27. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

28. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.

29. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions, and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

30. Where the registered holder of any share dies or becomes bankrupt his legal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the directors in that behalf, be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these Articles, be deemed to be joint holders of the share.

FORFEITURE OF SHARES

31. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

32. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

34. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

35. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all money which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest at the rate of 8% per annum from the date of forfeiture on the money for the time being unpaid if the directors think fit to enforce payment of such interest), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.

36. A statutory declaration in writing that the declarant is a director or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

37. The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.

38. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, , as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

39. The Company may by Ordinary Resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination.

40. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

41. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the

Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.

42. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

43. The Company may from time to time by Ordinary Resolution:

a. increase the share capital by such sum as the resolution shall prescribe;

b. consolidate and divide all or any of its share capital;

c. subdivide its shares so however that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

d. cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the number of its share capital by the amount of the shares so cancelled; or

e. issue treasury shares in accordance with Sections 76(H) to 76(K) of the Companies Act (Cap. 50)

44. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of those shares in such manner as they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under these Articles.

45. The Company may by Special Resolution reduce its share capital, in any manner and with, and subject to, any incident authorised, and consent required by law.

GENERAL MEETING

46. An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings.

47. Any director may, whenever he thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Act.

48. Subject to the provisions of the Act relating to agreements for shorter notice, 14 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business the general nature of that business shall be given to such persons as are entitled to receive such notices from the Company.

49. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at the meeting.

50. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheets, and the report of the directors and auditors, the election of directors in the place of those retiring, and the appointment and fixing of the remuneration of the auditors.

PROCEEDINGS AT GENERAL MEETINGS

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two members present in person or by proxy or represented by attorney or representative appointed pursuant to the Act shall form a quorum, except that where the Company has only one member, that sole member shall constitute a quorum for any general meeting.

52. Members may participate in a meeting by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and such participation shall constitute presence in person.

53. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine.

54. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall elect one of their number to be chairman of the meeting.

55. The chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

a. by the chairman;

b. by at least 3 members present in person or by proxy;

c. by any member or members present in person or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or

d. by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or

proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

57. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

59. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present who is a member or a representative of a member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each share he holds.

60. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

61. A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney.

62. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

63. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

64. The instrument appointing a proxy shall be in writing, in the common or usual form, under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

65. An instrument appointing a proxy shall be in the following form with such variations if any as circumstances may require or in such other form as the Directors may accept and shall be deemed to include the right to demand or join in demanding a poll:

I/We, __________ of ________________ a Member/Members of the abovenamed Company hereby appoint ________________ of __________________ or whom failing __________ of to vote for me/us and on my/our behalf at the (Annual, Extraordinary or Adjourned, as the case may be) General Meeting of the Company to be held on the _______ day of 20____ and at every adjournment thereof.

As Witness my hand this _____ day of ________ 20______.

An instrument appointing a proxy shall, unless the contrary is stated thereon be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

66. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

67. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation, or transfer as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

68. Subject to the provisions of the Act, a resolution in writing signed by the members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. A written notice of confirmation of such resolution in writing sent by or on behalf of a member shall be deemed to be his signature to such resolution in writing for the purposes of this Article. Such resolution in writing may consist of several documents each signed by one or more members.

DIRECTORS: APPOINTMENT, ETC.

69. The number of Directors shall not be less than one. The Company may from time to time by Ordinary Resolution passed at a General Meeting increase or reduce the number of directors

70. Unless otherwise determined by a General Meeting, a Director need not be a Member and shall not be required to hold any share qualification in the Company but shall be entitled to attend and speak at General Meetings.

71. The Company may, from time to time, by Ordinary Resolution passed at a General Meeting, appoint any person to be a Director.

72. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

73. The Company may by Ordinary Resolution remove any Director (notwithstanding anything in these Articles or in any agreement between the Company and such Director), and may by an Ordinary Resolution appoint another person in his stead.

74. The remuneration of the directors shall from time to time be determined by the Company in general meeting. That remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel, and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or in connection with the business of the Company.

75. The office of director shall become vacant if the director:

a. ceases to be a director by virtue of the Act;

b. becomes bankrupt or makes any arrangement or composition with his creditors generally;

c. becomes prohibited from being a director by reason of any order made under the Act;

d. becomes disqualified from being a director by virtue of Sections 148, 149, 154 or 155;

e. becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;

f. subject to section 145, resigns his office by notice in writing to the Company;

g. for more than 6 months is absent without permission of the directors from meetings of the directors held during that period;

h. without the consent of the Company in general meeting, holds any other office of profit under the company except that of managing director or manager; or

i. is directly or indirectly interested in any contract or proposed contract with the company and fails to declare the nature of his interest in manner required by the Act.

POWERS AND DUTIES OF DIRECTORS

76. The business of the Company shall be managed by the directors who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

77. The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the Company or of any third party.

78. The directors may exercise all the powers of the Company in relation to any official seal for use outside Singapore and in relation to branch registers.

79. The directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretions vested in him.

80. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any director or in such other manner as the directors from time to time determine.

81. The directors shall cause minutes to be made:

a. of all appointments of officers to be engaged in the management of the Company's affairs;

b. of names of directors present at all meetings of the Company and of the directors; and

c. of all proceedings at all meetings of the Company and of the directors.

82. Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

83. The Directors shall keep Registers as required By Sections 164 and 173 of the Act.

84. The Company may exercise the powers conferred upon the Company by Section 196 of the Act with regard to the keeping of a Branch Register, and the Directors may (subject to the provisions of that section) make and vary such regulations as they may think fit respecting the keeping of any such Register.

PROCEEDINGS OF DIRECTORS

85. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A director may at any time and the secretary shall on the requisition of a director summon a meeting of the directors.

86. Subject to these Articles, questions arising at any meeting of directors shall be decided by a majority of votes and a determination by a majority of directors shall for all purposes be deemed a determination of the directors. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

87. A director shall not vote in respect of any contract or proposed contract with the company in which he is interested, or any matter arising thereout, and if he does so vote, his vote shall not be counted.

88. Any director with the approval of the directors may appoint any person, whether a member of the Company or not, to be an alternate or substitute director in his place during such period as he thinks fit. Any person while he so holds office as an alternate or substitute director shall be entitled to notice of meetings of the directors and to attend and vote thereat accordingly, and to exercise all the powers of the appointor in his place. An alternate or substitute director shall not require any share qualification, and shall ipso facto vacate office if the appointor vacates office as a director or removes the appointee from office. Any appointment or removal under this regulation shall be effected by notice in writing under the hand of the director making the same.

89. Unless otherwise determined by the directors, two directors shall constitute a quorum necessary for the transaction of the business of the directors except that where the company has only one director, that sole director shall constitute a quorum.

90. The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number or of summoning a general meeting of the Company, but for no other purpose.

91. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.

92. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

93. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.

94. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.

95. All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

96. A resolution in writing, signed by a majority of the directors for the time being entitled to receive notice of a meeting of the directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more directors.

97. Any director or member of a committee of directors may participate in a meeting of the directors or such committee by means of a telephone or other audio communications equipment whereby all persons attending or participating the meeting can hear each other. The person or persons participating the meeting in the aforesaid manner shall be deemed for all purposes to be present in person at such meeting.

98. Where the Company has only one director, he may pass a resolution by recording it and signing the record.

MANAGING DIRECTORS

99. The directors may from time to time appoint one or more of their body to the office of managing director for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment.

100. A managing director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration, whether by way of salary, commission, or participation in profits, or partly in one way and partly in another, as the directors may determine.

101. The directors may entrust to and confer upon a managing director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of those powers.

102. The directors may from time to time appoint any person to be an associate director and may from time to time cancel any such appointment. The directors may fix, determine and vary the powers, duties and remuneration of any person so appointed, but a person so appointed shall not be required to hold any shares to qualify him for appointment nor have any right to attend or vote at any meeting of directors except by the invitation and with the consent of the directors.

SECRETARY

103. The secretary shall in accordance with the Act be appointed by the directors for such term, at such remuneration, and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. A director may be the secretary provided that where a director is the sole director of the Company, he shall not act or be appointed as the secretary of the Company.

SEAL

104. The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors authorised by the directors in that behalf, and every instrument to which the seal is affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.

105. The Company may exercise all the powers conferred by Section 41 of the Act to have an official seal for use abroad and such official seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Directors shall from time to time by writing under the Seal appoint.

ACCOUNTS

106. The directors shall cause proper accounting and other records to be kept and shall distribute copies of balance-sheets and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or paper of the company except as conferred by statute or authorised by the directors or by the company in general meeting.

DIVIDENDS AND RESERVES

107. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.

108. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.

109. No dividend shall be paid otherwise than out of profits or shall bear interest against the Company.

110. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

111. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

112. The directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

113. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other Company or in any one or more of such ways and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors.

114. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders.

CAPITALISATION OF PROFITS

115. The Company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

116. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

NOTICES

117. A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address, or, if he has no registered address in Singapore, to the address, if any, in Singapore supplied by him to the Company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

118. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

119. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the bankrupt, or by any like description, at the address, if any, in Singapore supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

120. (1) Notice of every general meeting shall be given in any manner hereinbefore authorised to:

a. every member;

b. every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and

c. the auditor for the time being of the company.

(2) No other person shall be entitled to receive notices of general meetings.

WINDING UP

121. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in kind the whole or any part of the assets of the company, whether they consist of property of the same kind or not, and may for that purpose set such value as he considers fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

122. Every director, managing director, agent, auditor, secretary, and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

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CFG
Canadian Foresight Group Pte. Ltd.

30th September 2014

To the Directors of:

CFG Energy Pte. Ltd.
732 Upper Changi Road East
#01-04 Cascadale
Singapore 486860

Dear Sirs,

We refer to your request that we provide you with comfort in respect to ensure going concern, the provision of financial support to you by Canadian Foresight Group Pte. Ltd., and to assist you in meeting your liabilities as and when they fall due to the extent that funds are not otherwise available to you to meet such liabilities or obligations

We confirm we will continue to provide such financial support outlined above to CFG Energy Pte. Ltd. for a period of at least the term of the production sharing contract to be entered into between Myanma Oil and Gas Enterprise, CFG Energy Pte. Ltd., TRG M15 Pte. Ltd. and Century Bright Gold Co., Ltd.

We undertake to inform you immediately in the event that any circumstances arise where we would no longer be able to provide such financial support to you.

You faithfully,

Songning Shen
Chairman
Canadian Foresight Group Pte. Ltd.

Canadian Foresight Group Ltd.
Financial Statements
May 31, 2013

To the Shareholders of Canadian Foresight Group Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors exercises its responsibilities for financial controls through an Audit Committee. The Audit Committee (the "Committee") is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

May 31, 2013

(signed) "Songning Shen"

Songning Shen
President, Chief Executive Officer and Chairman

To the Shareholders of Canadian Foresight Group Ltd.:

We have audited the accompanying financial statements of Canadian Foresight Group Ltd. which comprise the statements of financial position as at May 31, 2013 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from inception on August 22, 2012 to May 31, 2013, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Foresight Group Ltd. as at May 31, 2013 and its financial performance and its cash flows for the period from inception on August 22, 2012 to May 31, 2013 in accordance with International Financial Reporting Standards.

Calgary, Alberta
May 31, 2013

MNP LLP
Chartered Accountants

Suite 1500, 640 – 5th Ave. S.W., Calgary, Alberta T2P 3G4 Tel: (403) 263-3385 Fax: (403) 269-8450

MNP

	Note		
Assets			
Current assets			
Cash		$	394,052
Total Assets		$	394,052
Liabilities			
Current liabilities			
Accounts payable and accruals		$	11,000
Shareholders' Equity			
Share capital	5		477,501
Deficit			(94,449)
Total Shareholders' Equity		$	383,052
Total Liabilities and Shareholders' Equity		$	394,052

Approved by the Board of Directors

(signed) "Songning Shen"

Songning Shen, Chairman

The accompanying notes are an integral part of these financial statements.

Canadian Foresight Group Ltd.
Statement of Loss and Comprehensive Loss
For the period from inception on August 22, 2012 to May 31, 2013

Expenses		
Professional fees	$	11,233
General and administrative		49,771
Business development		33,445
Net loss and comprehensive loss	$	94,449
Net loss per share		
Basic and diluted	$	(0.00)
Weighted average number of shares		
Basic and diluted		95,500,100

The accompanying notes are an integral part of these financial statements.

Canadian Foresight Group Ltd.
Statement of Cash Flows
For the year ended May 31, 2013 and the period from inception on August 22, 2012 to May 31, 2012

	Note		
Cash provided by (used in) the following activities:			
Operating activities			
Net loss		$	(94,449)
Change in non-cash working capital			11,000
Cash used in operating activities			(83,449)
Financing activities			
Proceeds from issuance of shares			477,501
Increase in cash			394,052
Cash, beginning of year			-
Cash, end of year		$	394,052

The accompanying notes are an integral part of these financial statements

	Note	Common Shares (#)	Share Capital ($)	Deficit ($)	Shareholders' Equity ($)
At inception		100	1	-	1
Issuance of common shares	5	95,500,000	477,500	-	477,500
Comprehensive loss for the year		-	-	(94,449)	(94,449)
As at May 31, 2013		**95,500,100**	**477,501**	**(94,449)**	**383,052**

The accompanying notes are an integral part of these financial statements.

1. Incorporation and operations

Canadian Foresight Group Ltd. (the "Company") was incorporated under the laws of the Province of Alberta on August 22, 2012 ("Inception"). The address of the registered office is 3300, 421 - 7th Avenue S.W. Calgary, Alberta Canada T2P 4K9.

The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising an option or by some other form of transaction.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

The financial statements of the Company for the period ended May 31, 2013 were authorized for issuance in accordance with a resolution of the Board of Directors on May 31, 2013.

2. Basis of preparation

Statement of compliance

The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect at the closing date of May 31, 2013.

Basis of measurement

These financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates and judgments are significant to the financial statements are disclosed in note 4.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Cash

Cash consists of cash held on deposit with a Canadian chartered bank.***Income taxes***

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. Summary of significant accounting policies *(continued)*

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statament of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Non-derivative financial instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method. The Company currently has no such financial instruments.

Financial assets at fair value through profit or loss

An instrument is classified as fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance the Company's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company's financial assets at fair value through profit or loss comprise of cash.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Liabilities in this category include accounts payable and accruals.***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Impairment of financial assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

3. Summary of significant accounting policies *(continued)*

Earnings or loss per share

Basic earnings or loss per share is calculated by dividing net earnings (loss) by the weighted average number of common shares outstanding during the period. The weighted average number of common shares outstanding is calculated by adjusting the shares issued at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted earnings or loss per share is calculated by adjusting number of common shares for the effects of dilutive options and other dilutive potential units. All options are considered anti-dilutive when the Company is in a loss position.

Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2013 or later periods. The standards impacted that are applicable to the Company are as follows:

(i) In December 2011, the IASB issued amendments to IFRS 7, "Financial Instruments: Disclosures" and IAS 32, "Financial Instruments: Presentation" to clarify the current offsetting model and develop common disclosure requirements to enhance the understanding of the potential effects of offsetting arrangements. Amendments to IFRS 7 are effective for the Company on January 1, 2013 with required retrospective application and early adoption permitted. Amendments to IAS 32 are effective for the Company on January 1, 2014 with required retrospective application and early adoption permitted. The Company is currently assessing the impact of these amendments.

(ii) IFRS 9, 'Financial Instruments', replaces IAS 39, Financial Instruments: Recognition and Measurement, and is effective for annual periods beginning on or after January 1, 2015. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in IAS 39. Pursuant to IFRS 9, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than in the profit or loss. New requirements for the derecognition of financial instruments, impairmant and hedge accounting are expected to be added to IFRS 9. The Company is currently assessing the impact of this standard.

(iii) IFRS 10, ' Financial Statements' was issued in May 2011 and will supersede the consolidation requirements in SIC-12 'Consolidation – Special Purpose Entities' and IAS 27 ' and Separate Financial Statements' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the financial statements of the parent company. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing the impact of this standard.

(iv) IFRS 11, 'Joint Arrangements' was issued in May 2011 and will supersede existing IAS 31, 'Joint Ventures' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Company is currently assessing the impact of this standard.(v) IFRS 12, 'Disclosure of Interests in Other Entities' was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and un structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

(vi) IFRS 13, 'Fair Value Measurement' was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

(vii) Amendments have been made to existing standards, including IAS 27, Separate Financial Statements, and IAS 28, Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non- financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to 13. Both of the amended standards are not applicable until annual periods beginning on or after January 1, 2013 but are available for early adoption. The Company has yet to assess the full impact of these amendments.

4. Significant accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and judgments that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

5. Share capital

Authorized
Unlimited number of voting Class A Common Shares
Unlimited number of voting Class B Common Shares
Unlimited number of non-voting Class C Preferred Shares
Unlimited number of non-voting Class D Preferred Shares

Issued common shares

	Number	$
At inception (i)	100	1
Shares issued for cash (ii)	95,500,000	477,500
As at May 31, 2013	**95,500,100**	**477,501**

(i) On inception, the Company issued 100 Class A common shares at a price of $0.005 per share to the Director of the Company for total cash consideration of $1.

(ii) During the period ended May 31, 2013, the Company issued 95,500,000 Class A common shares at a price of $0.005 per share, or total cash consideration of $ 477,500.

6. Income taxes

There are no significant permanent differences between net loss and net loss for tax purposes.

Deferred tax assets are attributable to the following:

Non-capital losses	23,612
Net deferred income tax assets	23,612
Deferred tax benefits not recognized	(23,612)
	-

The Company has non-capital loss carry forwards of $94,449 which begin to expire in 2033.

7. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash and accounts payable and accruals approximates their fair value due to the short-term maturities of these items.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2013, the Company had a cash balance of $394,052. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Company has cash balances that bear no interest.

ii. Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

8. Capital management

The Company's capital consists of shareholders' equity. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and

ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at the year end.

9. Other Item

As at May 31, 2013, the Company has drafted a resolution to be circulated regarding the appointment of three new Directors; Greg Turnbull, Kevin Flaherty and Raymond Fong.

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ရင်းနှီးမြှုပ်နှံမှုနှင့် ကုမ္ပဏီများ ညွှန်ကြားမှု ဦးစီးဌာန
ရုံးအမှတ် (၃၂) နေပြည်တော်

စာအမှတ်၊ ရက - ၈ (ဂ) ၀၀၁ / ၂၀၁၃ (၅၉၃၉)
ရက်စွဲ၊ ၂၀၁၃ ခုနှစ် ဇွန် လ (၅) ရက်

သို့

အုပ်ချုပ်မှု ဒါရိုက်တာ
ရာစုနှစ် တောက်ပသောရွှေ ကုမ္ပဏီ လီမိတက်
အမှတ်(၄/၆)၊ အခန်းအမှတ်(ဂျီ-၃/၄/၅)၊ မြေညီထပ်၊ ကန်တော်ကြီးတာဝါ၊
ကျိုက္ကဆံလမ်း၊ မအူကုန်း၊ တာမွေမြို့နယ်၊ ရန်ကုန်မြို့

အကြောင်းအရာ။ ကုမ္ပဏီမှတ်ပုံတင် လက်မှတ် သက်တမ်းတိုးခြင်း ကိစ္စ

ရည် ညွှန်း ချက် ။ ကုမ္ပဏီ၏ (၂-၁၀-၂၀၁၂) ရက်စွဲပါစာ

၁။ အထက် ရည်ညွှန်းပါစာဖြင့် **ရာစုနှစ် တောက်ပသောရွှေ ကုမ္ပဏီ လီမိတက်** မှ သက်တမ်းတိုးမြှင့်ပေးပါရန် တင်ပြလာခြင်းကို (၄-၆-၂၀၁၃)ရက်နေ့တွင် ကျင်းပ ပြုလုပ်သည့် ဝန်ကြီးဌာန စီမံခန့်ခွဲရေး ကော်မတီ အစည်းအဝေး အမှတ်စဉ် **(၁၄/၂၀၁၃)** မှ **(၉-၉-၂၀၁၇)** ရက်နေ့ အထိ(၅)နှစ် သက်တမ်း တိုးမြှင့်ခွင့် ပြုလိုက်သည်။

၂။ သို့ပါ၍ **ရာစုနှစ်** တောက်ပသောရွှေ **ကုမ္ပဏီ လီမိတက်** မှ ကျပ် ၅၀၀,၀၀၀/- (ကျပ်ငါးသိန်း တိတိ) ပေးသွင်းပြီး ဖြစ်ပါ၍ ရုံးတွင်း မှတ်ပုံတင်အမှတ် - **၆၈၅ / ၂၀၀၈-၂၀၀၉ (၁၀-၉-၂၀၀၈)** ဖြင့် သက်တမ်းတိုး မှတ်ပုံတင်လက်မှတ်ကို ထုတ်ပေးလိုက်သည်။

ညွှန်ကြားရေးမှူးချုပ် (ကိုယ်စား)
(မြင့်လွင်၊ ဒုတိယညွှန်ကြားရေးမှူး)

မိတ္တူကို-
ရန်ကုန်တိုင်းဒေသကြီး စီမံကိန်းဦးစီးရုံး
ရုံးလက်ခံ
မျှောစာတွဲ

သက်တမ်းတိုး

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ 008666

အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန

ကုမ္ပဏီမှတ်ပုံတင်လက်မှတ်

အမှတ် ......၆၈၅......./ ၂၀၀၈-၂၀၀၉

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေအရ ....ရာစုနှစ် တောက်ပသော ရွှေ ....ကုမ္ပဏီ လီမိတက်.......................အား ပေးရန်တာဝန် ကန့်သတ်ထားသော လီမိတက် ကုမ္ပဏီအဖြစ် ၂၀၀၈ နှစ်၊ စက်တင်ဘာလ၊ ၁၀ ရက်နေ့တွင် မှတ်ပုံတင်ထားခြင်းအား ၂၀၁၃..နှစ်၊ ....ဇွန်.......လ၊ .၄....ရက်နေ့မှစ၍ သက်တမ်းတိုး ခွင့်ပြုလိုက်သည်။

(အောင်နိုင်ဦး)

ညွှန်ကြားရေးမှူးချုပ်

ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန

THE GOVERNMENT OF THE REPUBLIC OF THE UNION OF MYANMAR
MINISTRY OF NATIONAL PLANNING AND ECONOMIC DEVELOPMENT

CERTIFICATE OF INCORPORATION

NO. ....685............ of 2008-2009

I hereby certify that the tenure of ......CENTURY BRIGHT GOLD.......... COMPANY LIMITED ....incorporated under the Myanmar Companies Act on ....10th SEPTEMBER, 2008.............................. is renewed with effected from ....4th JUNE, 2013...........................

(AUNG NAING OO)
DIRECTOR GENERAL

Directorate of Investment and Company Administration

ကုမ္ပဏီနှင့်သက်ဆိုင်သည့်အချက်အလက်များ

(က) အုပ်ချုပ်မှုဒါရိုက်တာအမည်၊ ဦးကျော်သူရ(၇/တငန(နိုင်)၀၅၂၁၄၇)

(ခ) ကုမ္ပဏီ ရုံးခန်းလိပ်စာ၊ အမှတ်(၄/၆)၊ အခန်းအမှတ်(ဂျီ-၃/၄/၅)၊ မြေညီထပ်၊ ကန်တော်ကြီးတာဝါ၊ ကျိုက္ကဆံလမ်း၊ မအူကုန်း၊ တာမွေမြို့နယ်၊ ရန်ကုန်မြို့။

(ဂ) ဆက်သွယ်ရန် ဖုန်းနံပါတ်၊ ၀၁-၅၅၄၈၂၈၊ ၀၁-၅၅၄၉၀၇

(ဃ) ဒါရိုက်တာများ အမည်စာရင်း– (၁) ဦးမြင့်ထွေး
၇/ဖမန(နိုင်)၀၀၃၆၃၄

မှတ်ချက်။ (၁) ဤကုမ္ပဏီမှတ်ပုံတင်လက်မှတ်သည်မှတ်ပုံတင်ရက်စွဲ(၁၀-၉-၂၀၁၂)မှ (၉-၉-၂၀၁၇)ရက်နေ့အထိ(၅)နှစ်သက်တမ်းအတွက်သာ ဖြစ်သည်။ သက်တမ်း မကုန်ဆုံးမီ (၃)လအလိုတွင် သက်တမ်းတိုးရန် ရင်းနှီးမြှုပ်နှံမှုနှင့် ကုမ္ပဏီများ ညွှန်ကြားမှု ဦးစီးဌာနသို့ လျှောက်ထား ရမည်။

(၂) ကုမ္ပဏီ အနေဖြင့် သင်းဖွဲ့မှတ်တမ်းတွင်အဆိုပြု တင်ပြထားသော လုပ်ငန်းရည်ရွယ်ချက်များကိုသာ လုပ်ကိုင်ရမည်။

(၃) သင်းဖွဲ့မှတ်တမ်းပါ ရည်ရွယ်ချက်များသည် သက်ဆိုင်ရာ ပြည်ထောင်စုဝန်ကြီးဌာန၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ လုပ်ထုံးလုပ်နည်း များနှင့်အညီ ခွင့်ပြုချက် ရရှိမှသာ ဆောင်ရွက်ခွင့် ရှိမည် ဖြစ်ပါသည်။

(၄) လုပ်ငန်းရည်ရွယ်ချက် ပြောင်းလဲ လုပ်ကိုင်လိုပါက ပြောင်းလဲ လုပ်ကိုင်လိုသည့် လုပ်ငန်း ရည်ရွယ်ချက်များအား သင်းဖွဲ့မှတ်တမ်းတွင် ပြင်ဆင်မှတ်ပုံတင်ရန်အတွက် ဒါရိုက်တာအဖွဲ့(BOD)၏ အထူး အစည်းအဝေးဆုံးဖြတ်ချက် မှတ်တမ်းနှင့်အတူ ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများ ညွှန်ကြားမှုဦးစီးဌာန သို့ လျှောက်ထား ရမည် ။

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)
(မြင့်လွင်၊ မဟာညွှန်ကြားရေးမှူး)

[illegible]

[illegible]

[illegible]

သင်းဖွဲ့မှတ်တမ်း

နှင့်

သင်းဖွဲ့စည်းမျဉ်းများ

THE MYANMAR COMPANIES

PRIVATE COMPANY LIMITED BY SHARES

Memorandum Of Association

AND

Articles Of Association

OF

[illegible] BRIGHT GOLD COMPANY LIMITED

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့် မသက်ဆိုင်သည့်ကုမ္ပဏီ

ရာစုနှစ်တောက်ပသောရွှေ ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့မှတ်တမ်း

❖ ❖ ❖ ❖ ❖ ❖ ❖

၁။ ကုမ္ပဏီ၏ အမည်သည် **"ရာစုနှစ်တောက်ပသောရွှေ ကုမ္ပဏီ လီမိတက်"** ဖြစ်ပါသည်။

၂။ ကုမ္ပဏီ၏ မှတ်ပုံတင် အလုပ်တိုက်သည် ပြည်ထောင်စု မြန်မာနိုင်ငံတော်အတွင်း တည်ရှိရမည်။

၃။ ကုမ္ပဏီ တည်ထောင်ရခြင်း၏ ရည်ရွယ်ချက်များမှာ တစ်ဖက်စာမျက်နှာ ပါအတိုင်းဖြစ်ပါသည်။

၄။ အစုဝင်များ၏ ပေးရန်တာဝန်ကို ကန့်သတ်ထားသည်။

၅။ ကုမ္ပဏီ၏ သတ်မှတ်မတည်ငွေရင်းသည် ကျပ် ၅,၀၀၀,၀၀၀,၀၀၀/- (ကျပ် သန်းငါးထောင် တိတိ) ဖြစ်၍ ငွေကျပ် ၁၀၀,၀၀၀/- (ကျပ် တစ်သိန်း တိတိ)တန် အစုရှယ်ယာပေါင်း (၅၀,၀၀၀) ခွဲထားပါသည်။ ကုမ္ပဏီ ၏ ရင်းနှီးငွေကို ကုမ္ပဏီ၏ စည်းမျဉ်းများနှင့် လက်ရှိတရားဝင် တည်ဆဲဖြစ်နေသော တရားဥပဒေပြဋ္ဌာန်းချက်များ နှင့်အညီ အထွေထွေသင်းလုံးကျွတ် အစည်းအဝေး၌ တိုးမြှင့်နိုင်ခွင့်၊ လျှော့ချနိုင်ခွင့်နှင့် ပြင်ဆင်နိုင်ခွင့် အာဏာရှိ စေရမည်။

စက်မှုလက်မှုနှင့်ထုတ်လုပ်မှုလုပ်ငန်း ရည်ရွယ်ချက်

နိုင်ငံတော်အစိုးရက ခွင့်ပြုထားသော အောက်ဖော်ပြပါကုန်ပစ္စည်းများကို ထုတ်လုပ်ခြင်း၊ စိုက်ပျိုးခြင်း၊ကြိတ်ခွဲခြင်းနှင့် ခြင်း၊ စသည့်လုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် မိမိတစ်ဦးတည်းဖြစ်စေ မည်သည့် ပြည်တွင်းပြည်ပပုဂ္ဂိုလ်များ က်စပ်၍ဖြစ်စေ လုပ်ကိုင်ရန်။

~~(က) လယ်ယာကိုင်းကျွန်းနှင့် ဥယျာဉ်ခြံမြေထွက် ကုန်ပစ္စည်းများကို စိုက်ပျိုးခြင်း၊ ထုတ်လုပ်ခြင်း၊ ရိတ်သိမ်းခြင်း၊ တာရှည်ခံအောင်ပြုပြင်ခြင်း၊ ထုတ်ပိုးခြင်း၊ ကြိတ်ခွဲခြင်းနှင့် ကုန်ထုတ်လုပ်ခြင်း။~~

~~(ခ) (ကျွန်းမှအပ) သစ်နှင့် သစ်တောထွက်ပစ္စည်းများအား (သက်ဆိုင်ရာဌာန၏ ခွင့်ပြုချက်ဖြင့်) ခုတ်လှဲခြင်း၊ ထုတ်ယူခြင်း၊ ခွဲစိတ်ခြင်း၊ ကုန်ထုတ်လုပ်ခြင်း၊ တာရှည်ခံအောင်ပြုပြင်ခြင်းနှင့် အသားသေစေခြင်း။~~

~~(ဂ) တိရစ္ဆာန်မွေးမြူခြင်းနှင့် တိရစ္ဆာန်ထွက်ကုန်ပစ္စည်းများအား ပြုပြင်ထုတ်လုပ်ခြင်း၊ စည်သွပ်ခြင်း။~~

~~(ဃ) ရေထွက်ကုန်ပစ္စည်းများအား ဖမ်းယူခြင်း၊ တာရှည်ခံအောင်ပြုပြင်ခြင်း၊ ကြိတ်ခွဲခြင်း၊ စည်သွပ်ခြင်းနှင့် ပြုပြင်ထုတ်လုပ်ခြင်း။~~

✓(င) ဓါတ်မြေသြဇာ၊ ပိုးသတ်ဆေးနှင့် တိရစ္ဆာန်အစားအစာများထုတ်လုပ်ခြင်း။

~~(စ) လူသုံးကုန်ပစ္စည်းများ ထုတ်လုပ်ခြင်း။~~

~~(ဆ) အိမ်သုံးကုန်ပစ္စည်းများ ထုတ်လုပ်ခြင်း။~~

~~(ဇ) ယာဉ်နှင့်စက်ကိရိယာများ၊ အပိုပစ္စည်းများ ထုတ်လုပ်ခြင်း။~~

~~(ဈ) လက်မှုအနုပညာပစ္စည်းများ၊ ယွန်းထည်များနှင့် ပရိဘောဂများ ထုတ်လုပ်ခြင်း။~~

✓(ည) ဆောက်လုပ်ရေးပစ္စည်းများနှင့်သုတ်ဆေးများ ထုတ်လုပ်ခြင်း။

~~(ဋ) စက်ရုံသုံးပစ္စည်းများ ထုတ်လုပ်ခြင်း။~~

✓(ဌ) လျှပ်စစ်နှင့်အီလက်ထရောနစ် ကုန်ပစ္စည်းများ ထုတ်လုပ်ခြင်း။

~~(ဍ) အထည်အလိပ်နှင့် အဝတ်အထည်များ ထုတ်လုပ်ခြင်း။~~

✓(ဎ) အစိုးရ၏ ခွင့်ပြုချက်ဖြင့် သတ္တုရှာဖွေခြင်း၊ တူးဖော်ခြင်း၊ ထုတ်လုပ်ခြင်း၊ ပြုပြင်ခြင်းနှင့် ထွက်ရှိသောကုန်ပစ္စည်းများကို ရောင်းချခြင်းလုပ်ကိုင်ရန်၊

အထက်ဖော်ပြပါ လုပ်ငန်းများတွင် လိုအပ်သည့် စက်ကိရိယာများ၊ အပိုပစ္စည်းများ၊ ကုန်ကြမ်းပစ္စည်းများနှင့် သောပစ္စည်းများကို ပြည်ပမှတင်သွင်းရန်နှင့် ထွက်ရှိလာသော ကုန်ချောများ၊ တစ်စိတ်တစ်ဒေသကုန်ချောများကို င်းပြည်ပတွင် လက်လီလက်ကားရောင်းချရန်၊

ကုမ္ပဏီမှသင့်လျော် လျှောက်ပတ်သည်ဟု ယူဆပါက ကုမ္ပဏီ၏ စီးပွားရေးလုပ်ငန်းတွင် အကျိုးရှိစေရန်အတွက် ည်ပုဂ္ဂိုလ်၊ စီးပွားရေးအဖွဲ့အစည်း၊ ကုမ္ပဏီ၊ ဘဏ် သို့မဟုတ် ငွေကြေးအဖွဲ့အစည်းထံမှမဆို ငွေချေးယူရန်၊

က်။ ကုမ္ပဏီသည် အထက်ဖော်ပြပါ ရည်ရွယ်ချက်များကို ပြည်ထောင်စုမြန်မာနိုင်ငံတော်အတွင်း၌ဖြစ်စေ၊ အခြားမည်သည့်အရပ်ဒေသ၌ဖြစ်စေ၊ အချိန်ကာလအလိုက် တည်မြဲနေသော တရားဥပဒေများ၊ အမိန့်ကြော်ငြာစာများ၊ အမိန့်များက ခွင့်ပြုထားသည့် လုပ်ငန်းများမှအပ အခြားလုပ်ငန်းများကို လုပ်ကိုင်ဆောင်ရွက်ခြင်းမပြုပါ။ ထို့အပြင် ပြည်ထောင်စုမြန်မာနိုင်ငံတော် အတွင်း၌ အချိန်ကာလအားလျော်စွာ တည်မြဲနေသည့် တရားဥပဒေပြဋ္ဌာန်းချက်များ၊ အမိန့်ကြော်ငြာစာများ၊ အမိန့်များနှင့် လျော်ညီသင့်တော်ခြင်း၊ သို့မဟုတ် ခွင့်ပြုထားခြင်းရှိမှသာလျှင် လုပ်ငန်းများကိုဆောင်ရွက်မည်ဟု ခြွင်းချက်ထားရှိပါသည်။

အောက်တွင် အမည်၊ နိုင်ငံသား၊ နေရပ်နှင့် အကြောင်းအရာစုံလင်စွာပါသော ဇယားတွင် လက်မှတ်ရေးထိုးသူ ကျွန်ုပ်တို့ ကိုယ်စီကိုယ်ငှသည် ဤသင်းဖွဲ့မှတ်တမ်းအရ ကုမ္ပဏီတစ်ခုဖွဲ့စည်းရန် လိုလားသည့်အလျောက် ကျွန်ုပ်တို့၏ အမည်အသီးသီး နှင့် ယှဉ်တွဲဖော်ပြထားသော အစုရှယ်ယာများကို ကုမ္ပဏီ၏ မတည်ရင်းနှီးငွေတွင် ထည့်ဝင်ရယူကြရန် သဘောတူကြပါသည်။

စဉ်	အစုထည့်ဝင်သူများ၏ အမည်၊ နေရပ်လိပ်စာနှင့် အလုပ်အကိုင်	နိုင်ငံသားနှင့် အမျိုးသား မှတ်ပုံတင်အမှတ်	ဝယ်ယူသော အစုရှယ်ယာ ဦးရေ	ထိုးမြဲလက်မှတ်
၁။	ဦးကျော်သူရ အမှတ် (၁၈)၊ ဦးဘဟန်လမ်း၊ သယ်န်းကျွန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၇/တငန (နိုင်) ၀၅၂၁၄၇	၂၅၀	(signature)
၂။	ဒေါ်ခင်လှလှ အမှတ် (၁၈)၊ ဦးဘဟန်လမ်း သယ်န်းကျွန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၇/တငန (နိုင်) ၀၆၆၁၆၅	၂၅၀	(signature)
၃။				

ရန်ကုန်။ နေ့စွဲ၊ ၂၀၀၇ ခုနှစ်၊ စက်တင်ဘာလ၊ ၃၀ ရက်

အထက်ပါလက်မှတ်ရှင်များသည် ကျွန်ုပ်တို့၏ ရှေ့မှောက်တွင် လက်မှတ်ရေးထိုးကြပါသည်။

(signature)

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့် မသက်ဆိုင်သည့်ကုမ္ပဏီ

ရာစုနှစ်တောက်ပသောရွှေ ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့စည်းမျဉ်းများ

၁။ ဤသင်းဖွဲ့စည်းမျဉ်းနှင့် လိုက်လျောညီထွေမဖြစ်သည့် စည်းမျဉ်းများမှအပ၊ မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ နောက်ဆက်တွဲ ပထမဇယားပုံစံ "က"ပါ စည်းမျဉ်းများသည် ဤကုမ္ပဏီနှင့် သက်ဆိုင် စေရမည်။ မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေပုဒ်မ ၁၇ (၂)တွင် ဖော်ပြပါရှိသည့် မလိုက်နာမနေရ စည်းမျဉ်းများသည် ဤကုမ္ပဏီ နှင့်အစဉ်သဖြင့် သက်ဆိုင်စေရမည်။

အများနှင့် မသက်ဆိုင်သော ကုမ္ပဏီ

၂။ ဤကုမ္ပဏီသည် အများနှင့်မသက်ဆိုင်သည့် ကုမ္ပဏီဖြစ်၍ အောက်ပါသတ်မှတ်ချက်များသည် အကျိုး သက်ရောက်စေရမည်။

(က) ဤကုမ္ပဏီက ခန့်အပ်ထားသော ဝန်ထမ်းများမှအပ၊ ဤကုမ္ပဏီ၏ အစုရှင်အရေအတွက်ကို ငါးဆယ် အထိသာ ကန့်သတ်ထားသည်။

(ခ) ဤကုမ္ပဏီ၏ အစုရှယ်ယာ သို့မဟုတ် ဒိဘင်ချာ သို့မဟုတ် ဒိဘင်ချာစတော့(ခ်)တစ်ခုခုအတွက် ငွေထည့်ဝင်ရန် အများပြည်သူတို့အား ကမ်းလှမ်းခြင်းမပြုလုပ်ရန် တားမြစ်ထားသည်။

မ, တည်ရင်းနှီးငွေနှင့် အစုရှယ်ယာ

၃။ ကုမ္ပဏီ၏ သတ်မှတ်မတည်ငွေရင်းမှာ ကျပ် ၅,၀၀၀,၀၀၀,၀၀၀/- (ကျပ် သန်းငါးထောင် တိတိ) ဖြစ်၍ ငွေကျပ် ၁၀၀,၀၀၀/- (ကျပ် တစ်သိန်း တိတိ)တန် အစုရှယ်ယာပေါင်း (၅၀,၀၀၀) ခွဲထားပါ သည်။ ကုမ္ပဏီ ၏ ရင်းနှီးငွေကို ကုမ္ပဏီ၏ စည်းမျဉ်းများနှင့် လက်ရှိတရားဝင် တည်ဆဲဖြစ်နေသော တရားဥပဒေ ပြဋ္ဌာန်းချက်များနှင့်အညီ အထွေထွေ သင်းလုံးကျွတ် အစည်းအဝေး၌ တိုးမြှင့်နိုင်ခွင့်၊ လျှော့ချနိုင်ခွင့်နှင့် ပြင်ဆင်နိုင်ခွင့် အာဏာရှိ စေရမည်။

၄။ မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေပါ ပြဋ္ဌာန်းချက်များကို မထိခိုက်စေလျက် အစုရှယ်ယာများသည် ဒါရိုက်တာများ၏ ကြီးကြပ်ကွပ်ကဲမှု အောက်တွင်ရှိစေရမည်။ ၎င်းဒါရိုက်တာများသည် သင့်လျော်သော ပုဂ္ဂိုလ်များ အား သတ်မှတ်ချက် အခြေအနေတစ်စုံတစ်ရာဖြင့် အစုရှယ်ယာများကို ခွဲဝေချထားခြင်း သို့မဟုတ် ထုခွဲရောင်းချခြင်း တို့ကို ဆောင်ရွက်နိုင် သည်။

အစုရှယ်ယာလက်မှတ်များကို အထွေထွေမန်နေဂျာ သို့မဟုတ် ဒါရိုက်တာအဖွဲ့က သတ်မှတ်သည့် အခြား ပုဂ္ဂိုလ်များက လက်မှတ်ရေးထိုး၍ ကုမ္ပဏီ၏တံဆိပ်ရိုက်နှိပ်ထုတ်ပေးရမည်။ အစုရှယ်ယာ လက်မှတ်သည် ပုံပန်းပျက်ခြင်း၊ ပျောက်ဆုံးခြင်း သို့မဟုတ် ပျက်စီးခြင်းဖြစ်ပါက အဖိုးအခဖြင့် ပြန်လည် အသစ်ပြုလုပ်ပေးမှုကို သော်လည်းကောင်း၊ ဒါရိုက်တာများက သင့်လျော်သည်ဟု ယူဆသော အခြား သက်သေခံ အထောက်အထား တစ်စုံတစ်ရာကို တင်ပြစေ၍ သော်လည်းကောင်း ထုတ်ပေးနိုင်သည်။ ကွယ်လွန်သွားသော အစုရှယ်ယာရှင်တစ်ဦး၏ တရားဝင်ကိုယ်စားလှယ်ကို ဒါရိုက်တာများက အသိအမှတ် ပြုပေးရမည်ဖြစ်သည်။

ဒါရိုက်တာများသည် အစုရှင်များက ၎င်းတို့၏ အစုရှယ်ယာများအတွက် မပေးသွင်းရသေးသော ငွေများကို အခါအားလျော်စွာ တောင်းဆိုနိုင်သည်။ အစုရှင်တိုင်းကလည်း ၎င်းတို့ထံတောင်းဆိုသည့် အကြိမ်တိုင်းအတွက် ဒါရိုက်တာများက သတ်မှတ်သည့် ပုဂ္ဂိုလ်များထံ သတ်မှတ်သည့်အချိန်နှင့် နေရာတွင် ပေးသွင်းစေရန် တာဝန်ရှိစေရမည်။ ဆင့်ခေါ်မှုတစ်ခုအတွက် အရစ်ကျပေးသွင်းစေခြင်း၊ သို့မဟုတ် ပယ်ဖျက်ခြင်း သို့မဟုတ် ရွှေ့ဆိုင်းခြင်းတို့ကို ဒါရိုက်တာများက သတ်မှတ်နိုင်သည်။

ဒါရိုက်တာများ

၇။ သင်းလုံးကျွတ် အစည်းအဝေးက တစ်စုံတစ်ရာသတ်မှတ်ပြဋ္ဌာန်းမှု မပြုလုပ်သမျှ ဒါရိုက်တာများ၏ အရေ အတွက်သည် (၂)ဦးထက်မနည်း (၁၀) ဦးထက်မများစေရ။

ပထမဒါရိုက်တာများသည် -

(၁) ဦးကျော်သူရ

(၂) ဒေါ်ခင်လှလှ

(၃)

(၄)

(၅) တို့ဖြစ်ကြပါသည်။

၈။ ဒါရိုက်တာများသည် ၎င်းတို့အနက်မှ တစ်ဦးကို မန်နေဂျင်းဒါရိုက်တာအဖြစ် အချိန်အခါအလိုက် သင့်လျော်သော သတ်မှတ်ချက်များ၊ ဉာဏ်ပူဇော်ခများဖြင့် ခန့်ထားရမည်ဖြစ်ပြီး အခါအားလျော်စွာ ဒါရိုက်တာအဖွဲ့ က ပေးအပ်သော အာဏာများအားလုံးကို ၎င်းကအသုံးပြုနိုင်သည်။

၉။ ဒါရိုက်တာတစ်ဦးဖြစ်မြောက်ရန်လိုအပ်သော အရည်အချင်းသည် ကုမ္ပဏီ၏ အစုရှယ်ယာအနည်းဆုံး (-) စုကိုပိုင်ဆိုင်ခြင်းဖြစ်၍ ၎င်းသည် မြန်မာနိုင်ငံ ကုမ္ပဏီများအက်ဥပဒေပုဒ်မ ၈၅ ပါ ပြဋ္ဌာန်းချက် များကို လိုက်နာရန် တာဝန်ရှိသည်။

၁၀။ အစုရှယ်ယာများ လွှဲပြောင်းရန် တင်ပြချက်ကို မည်သည့်အကြောင်းပြချက်မျှမပေးဘဲ ဒါရိုက်တာ အဖွဲ့သည် ၎င်းတို့၏ပြည့်စုံ၍ ချုပ်ချယ်ခြင်းကင်းသော ဆင်ခြင်တွက်ဆမှုဖြင့် မှတ်ပုံတင်ရန် ငြင်းဆိုနိုင် သည်။

ဒါရိုက်တာများ၏ ဆောင်ရွက်ချက်များ

၁၁။ ဒါရိုက်တာများသည် ၎င်းတို့သင့်လျော်သည် ထင်မြင်သည့်အတိုင်း လုပ်ငန်းဆောင်ရွက်ရန် တွေ့ဆုံ ဆွေးနွေးခြင်း၊ အစည်းအဝေးရွှေ့ဆိုင်းခြင်း၊ အချိန်မှန်စည်းဝေးခြင်း၊ အစည်းအဝေးအထမြောက်ရန် အနည်းဆုံး ဒါရိုက်တာဦးရေ သတ်မှတ်ခြင်းတို့ကို ဆောင်ရွက်နိုင်သည်။ ယင်းသို့ မသတ်မှတ်ပါက ဒါရိုက်တာနှစ်ဦး တက်ရောက်လျှင် အစည်းအဝေးထမြောက်ရမည်။ ~~အစည်းအဝေးတွင် မည်သည့် ပြဿနာမဆို ပေါ်ပေါက်ပါက မန်နေဂျင်းဒါရိုက်တာ၏ အဆုံးအဖြတ်သည် အတည်ဖြစ်ရမည်။~~ မည်သည့် ကိစ္စများကိုမဆို မဲခွဲဆုံးဖြတ် ရာတွင် မဲအရေအတွက်တူနေပါက သဘာပတိသည် ဒုတိယမဲ သို့မဟုတ် အနိုင်မဲကို ပေးနိုင်သည်။

၁၂။ ဒါရိုက်တာများ၏ အစည်းအဝေးကို မည်သည့်ဒါရိုက်တာကမဆို အချိန်မရွေး ခေါ်နိုင်သည်။

၁၃။ ဒါရိုက်တာအားလုံးက လက်မှတ်ရေးထိုးထားသော ရေးသားထားသည့်ဆုံးဖြတ်ချက်တစ်ရပ်သည် နည်းလမ်းတကျ ခေါ်ယူကျင်းပသော အစည်းအဝေးက အတည်ပြုသည့် ဆုံးဖြတ်ချက်ကဲ့သို့ပင် ကိစ္စအားလုံးအတွက် အကျိုးသက်ရောက်စေရမည်။

ဒါရိုက်တာများ၏ လုပ်ပိုင်ခွင့်နှင့်တာဝန်များ

၁၄။ မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေနောက်ဆက်တွဲဇယားပုံစံ (က)ပါ စည်းမျဉ်းအပိုဒ် ၇၁ တွင် ပေးအပ် ထားသော အထွေထွေအာဏာများကို မထိခိုက်စေဘဲဒါရိုက်တာများသည် အောက်ဖော်ပြပါ အာဏာများ ရှိရမည်ဟု အတိအလင်း ထုတ်ဖော်ကြေညာသည်။ အာဏာဆိုသည်မှာ -

(၁) ဒါရိုက်တာများက သင့်လျော်သည်ဟုယူဆသော တန်ဖိုးနှင့်စည်းကမ်းများ၊ အခြေအနေများ သတ်မှတ်၍ ကုမ္ပဏီကရယူရန်အာဏာရှိသည့် မည်သည့်ပစ္စည်း၊ အခွင့်အရေးများ၊ အခွင့်အလမ်း များကိုမဆိုဝယ်ယူရန် သို့မဟုတ် အခြားနည်းလမ်းများဖြင့်ရယူပိုင်ဆိုင်ရန်အပြင် ကုမ္ပဏီက ပိုင်ဆိုင်ခွင့်ရှိသော မည်သည့်ပစ္စည်း အခွင့်အရေးများ၊ အခွင့်အလမ်းများကိုမဆို သင့်တော်သော စည်းကမ်းချက်များသတ်မှတ်၍ ရောင်းချခြင်း၊ အငှားချခြင်း၊ စွန့်လွှတ်ခြင်း၊ သို့မဟုတ် အခြား နည်းလမ်းများဖြင့် ဆောင်ရွက်ခြင်းတို့ကို ပြုလုပ်ရန်။

(၂) သင့်လျော်သောစည်းကမ်းသတ်မှတ်ချက်များဖြင့် ငွေကြေးများကိုချေးငှားရန် သို့မဟုတ်အဆိုပါ ချေးငှားသော ငွေကြေးများကို ပြန်လည်ပေးဆပ်ရန်အတွက် အာမခံများထားရှိရန်အပြင် အထူးသဖြင့် ဤကုမ္ပဏီ၏ ဒီဘင်ချာများ၊ ဒီဘင်ချာစတော့(ခ်)များ၊ ခေါ်ယူခြင်းမပြုရသေးသော ရင်းနှီးငွေများ အပါအဝင် ယခုလက်ရှိနှင့်နောင်ရှိမည့် ပစ္စည်းများအားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို အပေါင်ပြု၍ ထုတ်ဝေရန်။

(၃) ဤကုမ္ပဏီက ရယူထားသော အခွင့်အရေးများ သို့မဟုတ် ဝန်ဆောင်မှုများအတွက် အားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို ငွေကြေးအားဖြင့် ပေးချေရန်၊ သို့မဟုတ် အစုရှယ်ယာများ၊ ငွေချေး စာချုပ်များ၊ ဒီဘင်ချာများ သို့မဟုတ် ဤကုမ္ပဏီ၏ အခြားသော အာမခံစာချုပ်များကို ထုတ်ပေးရန်၊ ထို့အပြင် အဆိုပါ အစုရှယ်ယာများ ထုတ်ပေးရာ၌ ငွေအပြည့် ပေးသွင်းပြီးသော အစုရှယ်ယာအနေဖြင့် သော် လည်းကောင်း၊ တစ်စိတ်တစ်ဒေသ ပေးသွင်းပြီးသော အစုရှယ်ယာများ အနေဖြင့်သော်လည်းကောင်း သဘောတူညီသကဲ့သို့ ထုတ်ဝေပေးရန်နှင့် အဆိုပါ ငွေချေးစာချုပ်များ၊ ဒီဘင်ချာများ သို့မဟုတ် ကုမ္ပဏီ၏ အခြားသော အာမခံ စာချုပ်များဖြင့် ထုတ်ဝေပေးရာ၌ ခေါ်ဆိုခြင်း မပြုရသေးသော ရင်းနှီးငွေများ အပါအဝင် ဤကုမ္ပဏီ၏ ပစ္စည်းအားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို အပေါင်ပြု၍ဖြစ်စေ၊ ထိုကဲ့သို့မဟုတ်ဘဲ ဖြစ်စေ ထုတ်ပေးရန်။

(၄) ဤကုမ္ပဏီနှင့် ပြုလုပ်ထားသော ကန်ထရိုက်စာချုပ်များ၊ တာဝန်ယူထားသည့် လုပ်ငန်းများ ပြီးစီးအောင် ဆောင်ရွက်စေခြင်း အလို့ငှာ ခေါ်ယူခြင်း မပြုရသေးသော ရင်းနှီးငွေများ အပါအဝင် ဤကုမ္ပဏီ၏ ပစ္စည်းရပ်များ အားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို ပေါင်နှံ၍ သော်လည်းကောင်း၊ အပေါင်ပြု၍ သော်လည်းကောင်း သို့မဟုတ် အစုရှယ်ယာများအတွက် ငွေများ တောင်းခံခေါ်ယူ၍ သော် လည်းကောင်း ခွင့်ပြုရန် သို့မဟုတ် သင့်လျော်သည့်အတိုင်း ဆောင်ရွက်ရန်။

(၅) မန်နေဂျာများ၊အတွင်းရေးမှူးများ၊ အရာရှိများ၊ စာရေးများ၊ ကိုယ်စားလှယ်များနှင့် ဝန်ထမ်းများကို အမြဲတမ်း၊ ယာယီ သို့မဟုတ် အထူးကိစ္စရပ်များအတွက် ခန့်ထားခြင်း၊ ရပ်စဲခြင်း၊ ဆိုင်းငံ့ခြင်းများအတွက် လည်းကောင်း၊ အဆိုပါ ပုဂ္ဂိုလ်တို့၏ တာဝန်များ၊ အာဏာများ၊ လစာငွေများ၊ အခြား ငွေကြေးများကို သတ်မှတ်ရာ၌ လည်းကောင်း၊ အာမခံပစ္စည်းများ တောင်းခံရာ၌ လည်းကောင်း သင့်လျော်သလို ဆောင်ရွက်ရန်၊ ထို့အပြင် အဆိုပါ ကိစ္စရပ်များအတွက် ကုမ္ပဏီ၏ မည်သည့် အရာရှိကို မဆို ကိစ္စရပ်အားလုံးကို ဖြစ်စေ၊ တစ်စိတ် တစ်ဒေသကို ဖြစ်စေ ဒါရိုက်တာများ၏ ကိုယ်စား ဆောင်ရွက်နိုင်ရေးအတွက် တာဝန်လွှဲအပ်ရန်။

(၆) ဤကုမ္ပဏီ၏ ဒါရိုက်တာတစ်ဦးအား ဒါရိုက်တာရာထူးနှင့် တွဲဖက်၍ မန်နေဂျင်း ဒါရိုက်တာ၊ အထွေထွေ မန်နေဂျာ၊ အတွင်းရေးမှူး သို့မဟုတ် ဌာနခွဲ မန်နေဂျာအဖြစ် ခန့်ထားရန်။

(၇) မည်သည့် အစုရှင်ထံမှမဆို ၎င်းတို့၏ အစုရှယ်ယာများအားလုံးကို ဖြစ်စေ၊ အချို့အဝက်ကိုဖြစ်စေ၊ စွန့်လွှတ်ခြင်းအား သဘောတူညီသော စည်းကမ်းများဖြင့် လက်ခံရန်။

(၈) ဤကုမ္ပဏီက ပိုင်ဆိုင်သော သို့မဟုတ် ပိုင်ဆိုင်ခွင့်ရှိသော သို့မဟုတ် အခြားအကြောင်းများကြောင့် ဖြစ်သော မည်သည့် ပစ္စည်းကိုမဆို ကုမ္ပဏီ၏ကိုယ်စား လက်ခံထိန်းသိမ်းထားရန်အတွက် မည်သည့်ပုဂ္ဂိုလ် သို့မဟုတ် ပုဂ္ဂိုလ်များကိုမဆို ခန့်ထားရန်နှင့် အဆိုပါယုံမှတ်အပ်နှံခြင်းများနှင့်ပတ်သက်၍ လိုအပ်သော စာချုပ်စာတမ်းများ ချုပ်ဆိုပြုလုပ်ရန်။

(၉) ဤကုမ္ပဏီ၏ အရေးအရာများနှင့် စပ်လျဉ်း၍ ဤကုမ္ပဏီက ပြုလုပ်သော သို့မဟုတ် ဤကုမ္ပဏီအပေါ် သို့မဟုတ် ဤကုမ္ပဏီ၏ အရာရှိများအပေါ် ပြုလုပ်သော တရားဥပဒေအရ စွဲဆိုဆောင်ရွက်မှုများကို တရားစွဲဆို၊ အရေးယူ၊ ခုခံကာကွယ်ရန် သို့မဟုတ် ခွင့်လွှတ်ရန်၊ ထို့အပြင် ဤကုမ္ပဏီက ရရန်ရှိသော ကြွေးမြီများနှင့် ဤကုမ္ပဏီအပေါ် တောင်းခံသော ကြွေးမြီများနှင့် ပတ်သက်၍ ပေးဆပ်ရန် အချိန်ကာလ ရွှေ့ဆိုင်းခွင့်ပြုခြင်း သို့မဟုတ် နှစ်ဦးနှစ်ဖက် သဘောတူ ကျေအေးခြင်းများ ပြုလုပ်ရန်။

(၁၀) ဤကုမ္ပဏီက ပေးရန်ရှိသော သို့မဟုတ် ရရန်ရှိသော ငွေတောင်းခံခြင်းများကို ဖြန်ဖြေရေး ခုံသမာဓိ ထံသို့ ဖြေရှင်းရန်အတွက် အပ်နှံရန်အပြင် ဖြန်ဖြေရေး ခုံသမာဓိ၏ ဆုံးဖြတ်ချက်အတိုင်း လိုက်နာ ဆောင်ရွက်ရန်။

(၁၁) ဤကုမ္ပဏီက ရရန်ရှိသော တောင်းဆိုချက်၊ တောင်းခံချက်များနှင့် ကုမ္ပဏီသို့ ပေးရန်ရှိသော ငွေကြေးများ အတွက် ပြေစာများပြုလုပ်ထုတ်ပေးခြင်း၊ လျှော်ပစ်ခြင်းနှင့် အခြားသောနည်းဖြင့် စွန့်လွှတ်ခြင်းများကို ပြုလုပ်ရန်။

(၁၂) လူမွဲစာရင်းခံရခြင်း၊ ကြွေးမြီ မဆပ်နိုင်ခြင်း ကိစ္စများနှင့် ပတ်သက်၍ ကုမ္ပဏီ၏ကိုယ်စား ဆောင်ရွက်ရန်။

(၁၃) ငွေလွှဲစာတမ်းများ၊ ချက်လက်မှတ်များ၊ ဝန်ခံကတိစာချုပ်များ၊ ထပ်ဆင့်လက်မှတ်ရေးထိုးခြင်းများ၊ လျှော်ပစ်ခြင်းများ၊ ကန်ထရိုက် စာချုပ်များနှင့် စာရွက်စာတမ်းများကို ကုမ္ပဏီ၏ ကိုယ်စား မည်သူက လက်မှတ် ရေးထိုးခွင့် ရှိသည်ကို စိစစ်သတ်မှတ်ရန်။

(၁၄) ဒါရိုက်တာများက သင့်လျော်သည်ဟု ယူဆပါက သင့်လျော် လျောက်ပတ်သော နည်းလမ်းများဖြင့် လတ်တလော အသုံးပြုရန် မလိုသေးသော ကုမ္ပဏီပိုင်ငွေများကို အာမခံပစ္စည်း ပါသည်ဖြစ်စေ၊ မပါသည်ဖြစ် စေ၊ ရင်းနှီးမြှုပ်နှံ ထားရန်နှင့် စီမံခန့်ခွဲထားရန်။ ထို့အပြင် အချိန်ကာလ အားလျော်စွာ မြှုပ်နှံထားသောငွေကို ပြန်လည်ရယူရန် နှင့် ပြင်ဆင်ပြောင်းလွှဲရန်။

(၁၅) ဤကုမ္ပဏီ၏ အကျိုးအတွက် ငွေကြေး စိုက်ထုတ် ကုန်ကျခံထားသော ဒါရိုက်တာ သို့မဟုတ် အခြား ပုဂ္ဂိုလ်များက ကုမ္ပဏီ၏ (လက်ရှိနှင့် နောင်တွင် ရှိမည့်) ပစ္စည်းများကို ဤကုမ္ပဏီ၏ အမည်ဖြင့် ဖြစ်စေ၊ ဤကုမ္ပဏီ၏ ကိုယ်စားဖြစ်စေ ပေါင်နှံခြင်းကို သင့်လျော်သည်ဟု ယူဆပါက ဆောင်ရွက်ခွင့်ပြုရန်။ အဆိုပါ ပေါင်နှံခြင်းဆိုရာ၌ ရောင်းချနိုင်သည့် အာဏာနှင့် အခြားသော သဘောတူညီထားသည့် တရားဝင် သဘော တူညီချက်များနှင့် ဥပဒေပြဋ္ဌာန်းချက်များပါ ပါဝင်သည်။

(၁၆) ဤကုမ္ပဏီက ခန့်အပ်ထားသော မည်သည့်အရာရှိ သို့မဟုတ် ပုဂ္ဂိုလ်ကိုမဆို အတိအကျဆောင်ရွက်ခဲ့သည့် လုပ်ငန်း သို့မဟုတ် ဆောင်ရွက်မှုတစ်ခုအတွက် ရရှိသော အမြတ်ငွေမှ ကော်မရှင်ပေးခြင်း သို့မဟုတ် ကုမ္ပဏီ၏ အထွေထွေ အမြတ်အစွန်းမှ ခွဲဝေပေးခြင်းများ ပြုလုပ်ရန်နှင့် အဆိုပါ ကော်မရှင်များ၊ အမြတ်များ ခွဲဝေပေးခြင်း စသည်တို့ကို ဤကုမ္ပဏီ၏ လုပ်ငန်းကုန်ကျစရိတ် တစ်စိတ်တစ်ဒေသအဖြစ် သတ်မှတ်ရန်။

(၁၇) ဤကုမ္ပဏီ၏ လုပ်ငန်းများ၊ အရာရှိများ၊ ဝန်ထမ်းများနှင့် အစုရှင်များအတွက် ထုတ်ပြန်ထားသော စည်းမျဉ်း များ၊ စည်းကမ်းချက်များ၊ စည်းကမ်းဥပဒေများကို အခါအားလျော်စွာ သတ်မှတ်ခြင်း၊ ပြင်ဆင်ခြင်း၊ ဖြည့်စွက် ခြင်းများ ဆောင်ရွက်ရန်။

(၁၈) ဤကုမ္ပဏီ၏လုပ်ငန်းအတွက် ဤကုမ္ပဏီ၏အမည်ဖြင့် ဖြစ်စေ၊ ဤကုမ္ပဏီ၏ ကိုယ်စားဖြစ်စေ လိုအပ်သည်ဟု ယူဆလျှင် ညှိနှိုင်းဆွေးနွေးခြင်းနှင့် ကန်ထရိုက်စာချုပ် ချုပ်ဆိုခြင်းများကို ပြုလုပ်ရန်၊ ဖျက်သိမ်းရန်နှင့် ပြင်ဆင်ရန်အပြင် အဆိုပါ ဆောင်ရွက်ချက် စာချုပ်များနှင့် ကိစ္စရပ်များကို လည်းကောင်း၊ ၎င်းတို့နှင့် စပ်လျဉ်းသော ကိစ္စရပ်များကို လည်းကောင်း လုပ်ကိုင်ဆောင်ရွက်ရန်။

(၁၉) ဒါရိုက်တာများက သင့်လျော်လျောက်ပတ်သည်ဟု ယူဆပါက ကုမ္ပဏီ၏ စီးပွားရေးလုပ်ငန်းတွင် အကျိုးရှိစေ ရန်အတွက် မည်သည့် ပြည်တွင်းပြည်ပ ပုဂ္ဂိုလ်၊ စီးပွားရေး အဖွဲ့အစည်း၊ ကုမ္ပဏီ သို့မဟုတ် ဘဏ် သို့မဟုတ် ငွေကြေးအဖွဲ့အစည်းထံမှမဆို ငွေချေးယူရန်။

အထွေထွေအစည်းအဝေးကြီးများ

၁၅။ ကုမ္ပဏီကို ဥပဒေအရဖွဲ့စည်းတည်ထောင်ပြီးသည့်နေ့မှ တစ်ဆယ့်ရှစ်လအတွင်းအထွေထွေသင်းလုံးကျွတ် အစည်းအဝေးကြီးကို ကျင်းပရမည်။ ထို့နောက် ဒါရိုက်တာအဖွဲ့က သတ်မှတ်ပေးသည့် အချိန်နှင့် နေရာများတွင် ပြက္ခဒိန်နှစ်တစ်နှစ်လျှင် အနည်းဆုံးတစ်ကြိမ် (နောက်ဆုံးကျင်းပသည့် အထွေထွေအစည်းအဝေးကြီးနှင့် တစ်ဆယ့်ငါးလထက်မပိုသည့်အချိန်၌) ကျင်းပရမည်။ သင်းလုံးကျွတ် အစည်းအဝေးစတင်၍လုပ်ငန်းအတွက် ဆွေးနွေးချိန်တွင် အစည်းအဝေးအထမြောက်ရန် သတ်မှတ်သည့် အစုရှင် အရေအတွက် မတက်ရောက်သော မည်သည့် သင်းလုံးကျွတ် အစည်းအဝေးတွင် မဆို လုပ်ငန်းနှင့် ပတ်သက်၍ ဆုံးဖြတ်ဆောင်ရွက်ခြင်း မပြုရ။ ဤတွင် အခြားနည်း သတ်မှတ်ပြဋ္ဌာန်းခြင်းမရှိလျှင် ထုတ်ဝေထားသည့် မ,တည် ရင်းနှီးငွေ အစုရှယ်ယာများ၏ ငါးဆယ်ရာခိုင်နှုန်းထက်မနည်း ပိုင်ဆိုင်ကြသည့် (နှစ်ဦးထက် မနည်းသော) အစုရှင်များ ကိုယ်တိုင် တက်ရောက်လျှင် လုပ်ငန်းကိစ္စအားလုံး ဆောင်ရွက်ရန် အတွက် အစည်းအဝေး အထမြောက်သည့်ဦးရေ ဖြစ်သည်။ အကယ်၍ ကုမ္ပဏီတွင် အစုရှင်အရေအတွက် နှစ်ဦးတည်းသာရှိသည့်ကိစ္စတွင်မူထိုနှစ်ဦးတည်းသည်ပင်လျှင်အစည်းအဝေးအထမြောက်ရန်သတ်မှတ်သည့် အရေအတွက်ဖြစ်စေရမည်။

အမြတ်ဝေစုများ

၁၆။ သင်းလုံးကျွတ်အစည်းအဝေးတွင် ဤကုမ္ပဏီ၏ အစုရှင်များအား ခွဲဝေပေးမည့် အမြတ်ဝေစုကို ကြေညာရမည်။ သို့ရာတွင် အမြတ်ဝေစုသည် ဒါရိုက်တာများက ထောက်ခံသော ငွေပမာဏထက် မကျော်လွန်စေရ။ သက်ဆိုင်ရာနှစ်၏ အမြတ်ပမာဏ သို့မဟုတ် အခြားမခွဲဝေရသေးသည့် အမြတ်ပမာဏမှအပ အမြတ်ဝေစုကို ခွဲဝေမပေးရ။

ရုံးဝန်ထမ်းများ

၁၇။ ကုမ္ပဏီသည် လုပ်ငန်းရုံးတစ်ခုကို ဖွင့်လှစ်၍ ဆောင်ရွက်မည်ဖြစ်ပြီး ~~အရည်အချင်း ပြည့်မီသူပုဂ္ဂိုလ်တစ်ဦးအား အထွေထွေမန်နေဂျာအဖြစ် ခန့်အပ်ရန်နှင့် အခြား~~အရည်အချင်း ပြည့်မီသူများအား ရုံးဝန်ထမ်းများအဖြစ် ခန့်အပ်မည်ဖြစ်သည်။ လစာ၊ ခရီးသွားလာစရိတ်နှင့် အခြားအသုံးစရိတ်များ ကဲ့သို့သော ဥာဏ်ပူဇော်ခများနှင့် အခကြေးငွေများကို ဒါရိုက်တာအဖွဲ့က သတ်မှတ်~~မည်ဖြစ်ပြီး ၎င်းသတ်မှတ်ချက်များကို သင်းလုံးကျွတ် အစည်းအဝေးက အတည်~~ပြုရမည်။ ~~အထွေထွေမန်နေဂျာသည် လုပ်ငန်းရုံး၏ ထိရောက်စွာလုပ်ငန်း လည်ပတ်မှု အားလုံးအတွက် တာဝန်ရှိစေရမည် ဖြစ်ပြီး မန်နေဂျင်း ဒါရိုက်တာအား တာဝန်ခံ၍ ဆောင်ရွက်ရမည်~~။

ငွေစာရင်းများ

၁၈။ ဒါရိုက်တာများသည် သင့်လျော်သည့် ငွေစာရင်းစာအုပ်များကို အောက်ဖော်ပြပါ သတ်မှတ်ချက်များနှင့်အညီ ထားသိုထိန်းသိမ်း ဆောင်ရွက်ရမည်။

(၁) ကုမ္ပဏီ၏ ရငွေ၊ သုံးငွေများ၏ ပမာဏနှင့် ၎င်းရငွေ၊ သုံးငွေများ ဖြစ်ပေါ်ခြင်းနှင့် စပ်လျဉ်းသည့် အကြောင်းကိစ္စများ။

(၂) ကုမ္ပဏီ၏ ကုန်ပစ္စည်းများ ရောင်းချခြင်းနှင့် ဝယ်ယူခြင်းများ။

(၃) ဤကုမ္ပဏီ၏ ရရန်ပိုင်ခွင့်နှင့် ပေးရန်တာဝန်များ။

၁၉။ ငွေစာရင်းစာအုပ်အားလုံးကို ဤကုမ္ပဏီ၏ မှတ်ပုံတင်ထားသော လုပ်ငန်းရုံး သို့မဟုတ် ဒါရိုက်တာများက သင့်လျော်သည်ဟု ထင်မြင်ယူဆသော အခြားနေရာတွင် သိမ်းဆည်းထားရမည်ဖြစ်ပြီး၊ ရုံးချိန်အတွင်း၌ ဒါရိုက်တာများက စစ်ဆေးနိုင်ရန် ပြသထားရမည်။

စာရင်းစစ်

၂၀။ စာရင်းစစ်များကို ခန့်အပ်ထားရမည်။ ၎င်းစာရင်းစစ်များ၏ တာဝန်သည် မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ သို့မဟုတ် အခါအားလျော်စွာ ပြင်ဆင်သတ်မှတ်သည့် စည်းမျဉ်း စည်းကမ်းများနှင့် လိုက်လျောညီထွေ ဖြစ်ရမည်။

နို့တစ်စာ

၂၁။ ဤကုမ္ပဏီသည် မည်သည့်အစုရှင်ထံသို့မဆို နို့တစ်စာကို လက်ရောက်ပေးအပ်ခြင်း သို့မဟုတ် နို့တစ်စာပါသောစာကို စာတိုက်ခ ကြိုတင်ပေးထား၍ ၎င်းအစုရှင်ထံ မှတ်ပုံတင်လိပ်စာအတိုင်း စာတိုက်မှတစ်ဆင့် လိပ်မူပေးပို့ခြင်းအားဖြင့် ပေးပို့နိုင်သည်။

တံဆိပ်

၂၂။ ဒါရိုက်တာများသည် တံဆိပ်ကို လုံခြုံစွာ ထိန်းသိမ်းထားရန်အတွက် စီမံဆောင်ရွက်ရမည်။ ထိုတံဆိပ်ကို ဒါရိုက်တာများက ကြိုတင်ပေးအပ်ထားသည့် ခွင့်ပြုချက်ဖြင့် မှတစ်ပါး၊ ထို့အပြင် အနည်းဆုံး ဒါရိုက်တာတစ်ဦး ရှေ့မှောက်တွင်မှ တစ်ပါး မည်သည့်အခါမျှ မသုံးရ။ တံဆိပ်ရိုက်နှိပ်ထားသည့် စာရွက်စာတမ်းတိုင်းတွင် ထိုဒါရိုက်တာက လက်မှတ်ရေးထိုးရမည်။

လျော်ကြေး

၂၃။ မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ ပုဒ်မ ၈၆ (ဂ) တွင် ဖော်ပြပါရှိသည့် ပြဋ္ဌာန်းချက်များ၊ လက်ရှိတရားဝင် တည်ဆဲဥပဒေပြဋ္ဌာန်းချက်များနှင့် မဆန့်ကျင်စေဘဲ ကုမ္ပဏီ၏ ဒါရိုက်တာ၊ စာရင်းစစ်၊ အတွင်းရေးမှူး သို့မဟုတ် အခြားအရာရှိတစ်ဦးဦးမှာ မိမိ၏ တာဝန်ဝတ္တရားများကို ဆောင်ရွက်ရာ၌ဖြစ်စေ၊ ထိုတာဝန် ဝတ္တရားများနှင့် စပ်လျဉ်း၍ ဖြစ်စေ ကျခံခဲ့ရသည့် စရိတ်များ၊ တောင်းခံငွေများ၊ ဆုံးရှုံးငွေများ၊ ကုန်ကျငွေများနှင့် ကြွေးမြီတာဝန် များအတွက် ကုမ္ပဏီထံမှ လျော်ကြေး ရထိုက်ခွင့် ရှိစေရမည်။

ဖျက်သိမ်းခြင်း

၂၄။ ကုမ္ပဏီ၏ အထွေထွေအစည်းအဝေး ဆုံးဖြတ်ချက်ဖြင့် ကုမ္ပဏီအား ဖျက်သိမ်းနိုင်သည်။ ယင်းသို့ ဖျက်သိမ်းရာတွင် မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေများနှင့် ယင်းဥပဒေများအား အခါအားလျော်စွာ ပြင်ဆင်ပြောင်းလဲ ထားသည့် တရားဥပဒေများတွင် ပါဝင်သည့် စည်းမျဉ်းများအတိုင်း လိုက်နာပြုလုပ်ရမည်။

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အောက်တွင် အမည်၊ နိုင်ငံသား၊ နေရပ်နှင့် အကြောင်းအရာစုံလင်စွာပါသော ဇယားတွင် လက်မှတ်ရေးထိုးသူ ကျွန်ုပ်တို့ ကိုယ်စီကိုယ်ငှသည် ဤသင်းဖွဲ့စည်းမျဉ်းအရ ကုမ္ပဏီတစ်ခုဖွဲ့စည်းရန် လိုလားသည့်အလျောက် ကျွန်ုပ်တို့၏ အမည်အသီးသီး နှင့် ယှဉ်တွဲဖော်ပြထားသော အစုရှယ်ယာများကို ကုမ္ပဏီ၏ မတည်ရင်းနှီးငွေတွင် ထည့်ဝင်ရယူကြရန် သဘောတူကြပါသည်။

စဉ်	အစုထည့်ဝင်သူများ၏ အမည်၊ နေရပ်လိပ်စာနှင့် အလုပ်အကိုင်	နိုင်ငံသားနှင့် အမျိုးသား မှတ်ပုံတင်အမှတ်	ဝယ်ယူသော အစုရှယ်ယာ ဦးရေ	ထိုးမြဲလက်မှတ်
၁။	ဦးကျော်သူရ အမှတ် (၁၈)၊ ဦးဘဟန်လမ်း၊ သဃ်န်းကျွန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၇/တငန (နိုင်) ၀၅၂၁၄၇	၂၅၀	
၂။	ဒေါ်ခင်လှလှ အမှတ် (၁၈)၊ ဦးဘဟန်လမ်း သဃ်န်းကျွန်းမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၇/တငန (နိုင်) ၀၆၆၁၆၅	၂၅၀	
၃။				

ရန်ကုန်။ နေ့စွဲ၊ ၂၀၀၇ ခုနှစ်၊ စက်တင်ဘာလ၊ ၃၀ ရက်

အထက်ပါလက်မှတ်ရှင်များသည် ကျွန်ုပ်တို့၏ ရှေ့မှောက်တွင် လက်မှတ်ရေးထိုးကြပါသည်။

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Memorandum Of Association

OF

CENTURY BRIGHT GOLD COMPANY LIMITED

❖❖❖❖❖❖❖

I. The name of the Company is **CENTURY BRIGHT GOLD COMPANY LIMITED.**

II. The registered office of the Company will be situated in the Union of Myanmar.

III. The objects for which the Company is established are as on the next page.

IV. The liability of the members is limited.

V. The authorised capital of the Company is Ks. 5,000,000,000/- (Kyats Five Thousand Million Only) divided into (50,000) shares of Ks. 100,000/- (Kyats One Hundred Thousand Only) each, with power in General Meeting either to increase, reduce or alter such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf.

Objectives of Industry and Manufacturing

To carry on the business of manufacturing, growing, milling and preserving etc; of the following commodities permitted by the Government, either solely on its own or in Joint-venture with any local or foreign partners.

(a) Growing, producing, harvesting, preserving, packing, milling and manufacturing of agricutural and farm products.

(b) Felling, extracting (with the permission from the authorities concerned) milling, manufacturing, preserving and seasoning of timber (excluding teak) and forest products.

(c) Livestock breeding, processing and canning of livestock products.

(d) Fishing, preserving, milling, canning and processing of marine products.

(e) Producing fertilizers, insecticides and animal feeds.

(f) Manufacturing of personal goods.

(g) Manufacturing of household goods.

(h) Manufacturing of vehicles, machineries and spares.

(i) Manufacturing of arts and crafts, lacquerwares and furniture.

(J) Manufacturing of construction materials and paints.

(k) Manufacturing of factory utencils.

(1) Manufacturing of electrical and electronic goods.

(m) Manufacturing of textile, garments and clothings.

(n) To carry on the business of exploration, exploitation, production, processing of minerals and marketing of its products with the permission of the Government.

To import machinery, spare parts, raw materials and others necessary for those activities mentioned above and to sell wholesale and retail finished and semi-finished products locally and abroad.

To borrow money for the benefit of the Company's business from any person, firm, company, bank or financial organization in the manner that the Company shall think fit.

ROVISO: Provided that the Company shall not exercise any of the above objects whether in the Union ofMyanmar or elsewhere, save in so for as it may be entitled so as to do in accordance with the Laws, Orders and Notifications in force from time to time and only subject to such permission and or approval as may be prescribed by the Laws, Orders and Notifications of the Union ofMyanmar for the time being in force

We, the several persons, whose names, nationalities, addresses and descriptions are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sr. No.	Name, Address and Occupation of Subscribers	Nationality & N.R.C No.	Number of shares taken	Signature
1.	U Kyaw Thura No-18, U Ba Han Street Thingangyun Township, Yangon. (Merchant)	Myanmar 7/ Ta Nga Na (Naing) 052147	250	
2.	Daw Khin Hla Hla No-18, U Ba Han Street Thingangyun Township, Yangon. (Merchant)	Myanmar 7/ Ta Nga Na (Naing) 066165	250	
3.				

Yangon. Dated the 30th day of September 2007

It is hereby certified that the persons mentioned above put their signatures in my presence.

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Articles Of Association

OF

CENTURY BRIGHT GOLD COMPANY LIMITED

❖❖❖❖❖❖❖

1. The regulations contained in Table 'A' in the First Schedule to the Myanmar Companies Act shall apply to the Company save in so far as such regulations which are inconsistent with the following Articles. The compulsory regulations stipulated in Section 17 (2) of the Myanmar Companies Act shall always be deemed to apply to the Company.

PRIVATE COMPANY

2. The Company is to be a Private Company and accordingly following provisions shall have effect: -

   (a) *The number of members of the Company, exclusive of persons who are in the employment of the Company, shall be limited to fifty.*

   (b) *Any invitation to the public to subscribe for any share or debenture or debenture stock of the Company is hereby prohibited.*

CAPITAL AND SHARES

3. The Authorised Capital of the Company is Ks. 5,000,000,000/- (Kyats Five Thousand Million Only) divided into (50,000) shares of Ks. 100,000/- (Kyats One Hundred Thousand Only) each, with power in General Meeting either to increase, reduce or alter such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf.

4. Subject to the provisions of the Myanmar Companies Act the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons and on such terms and conditions as they may determine.

The certificate of title to share shall be issued under the Seal of the Company, and signed by the General Manager or some other persons nominated by the Board of Directors. If the share certificate is defaced, lost or destroyed , it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity as the Directors may think fit. The legal representative of a deceased member shall be recognised by the Directors.

The Directors may, from time to time make call upon the members in respect of any money unpaid on their shares, and each member shall be liable to pay the amount of every call so made upon him to the persons, and at the times and places appointed by the Directors. A call may be made payable by instalemts or may be revoked or postponed as the Directors may determine.

DIRECTORS

Unless otherwise determined by a General Meeting the number of Directors shall not be less than (2) and not more than (10).

The First Directors shall be -
(1) U Kyaw Thura
(2) Daw Khin Hla Hla
(3)
(4)
(5)

The Directors may from time to time appoint one of their body to the office of the Managing Director for such terms and at such remuneration as they think fit and he shall have all the powers delegated to him by the Board of Directors from time to time.

The qualification of a Director shall be the holding of at least (-) shares in the Company in his or her own name and it shall be his duty to comply with the provision of Section (85) of the Myanmar Companies Act.

The Board of Directors may in their absolute and uncontrolled discretion refuse to register any proposed transfer of shares without assigning any reason.

PROCEEDINGS OF DIRECTORS

The Director may meet together for the despatch of business, adjourn and otherwise regulate their meeting as they think fit and determine the quorum necessary for the transaction of business. Unless otherwise determined, two shall form a quorum. ~~If any question arising at any meeting the Managing Director's decision shall be final~~. When any matter is put to a vote and if there shall be an equality of votes, the Chairman shall have a second or casting vote.

Any Director may at any time summon a meeting of Directors.

13. A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed out at meeting of the Directors, duly called, held and constituted.

POWERS AND DUTIES OF DIRECTORS

14. Without prejudice to the general power conferred by Regulation 71 of the Table "A" of the Myanmar Companies Act, it is hereby expressly declared that the Directors shall have the following powers, that is to say power: -

(1) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price, and generally on such terms and conditions as they think fit; also to sell, lease, abandon or otherwise deal with any property, rights or privileges to which the Company may be entitled, on such terms and conditions as they may think fit.

(2) To raise, borrow or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stocks of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

(3) At their discretion, to pay for any rights acquired or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(4) To secure the fulfilment of any contract or engagement entered into by the Company by mortgage or charge upon all or any of the property of the Company and its uncalled capital for the time being or by granting calls on shares or in such manner as they may think fit.

(5) To appoint at their discretion, remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and Servants for permanent, temporary or special services as they may from time to time think fit and to determine their duties and powers and fix their salaries or emoluments and to require security in such instances in such amount as they think fit and to depute any officers of the Company to do all or any of these things on their behalf.

(6) To appoint a Director as Managing Director, General Manger, Secretary or Departmental Manager in conjunction with his Directorship of the Company.

(7) To accept from any member on such terms and conditions as shall be agreed on the surrender of his shares or any part thereof.

(8) To appoint any person or persons to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust.

(9) To institute, conduct, defend of abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due to or of any claims and demands by or against the Company.

(10) To refer claims and demands by or against the Company to arbitration and to observe and perform the awards.

(11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

(12) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.

(13) To determine who shall be entitled to sign bills of exchange, cheques, promissory notes, receipts, endorsements, releases, contracts and documents for or on behalf of the Company.

(14) To invest, place on deposit and otherwise deal with any of the moneys of the Company not immediately required for the purpose thereof, upon securities or without securities and in such manners as the Directors may think fit, and from time to time vary or realize such investments.

(15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.

(16) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profit of the Company and such commission or share of profit shall be treated as part of the working expenses of the Company.

(17) From time to time, to make, vary and repeal bye-laws for the regulation of the business of the Company, the officers and servants or the members of the Company or any section thereof.

(18) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matter aforesaid or otherwise for the purposes of the Company.

(19) To borrow money for the benefit of the Company's business from any person, firm or company or bank or financial organization of local and abroad in the manner that the Directors shall think fit.

GENERAL MEETINGS

15. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter at least once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and places as may be fixed by the Board of Directors. No business shall be transacted at any general meeting unless a quorum of members is presented at the time when the meeting proceeds to business, save as herein otherwise provided Member holding not less than 50 percent of the issued shares capital (not less than two members) personally present, shall form a quorum for all purposes. And if and when in the case of there are only two number of members in the Company, those two members shall form a quorum.

DIVIDENDS

16. The Company in general meeting may declare a dividend to be paid to the members, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be paid otherwise than out of the profits of the year or any other undistributed profits.

OFFICE STAFF

17. The Company shall maintain an office establishment and appoint ~~a qualified person as General Manger and other~~ qualified persons as office staffs. The remunerations and allowances such as salaries, travelling allowances and other expenditures incidental to the business shall be determined by the Board of Directors, ~~and approved by the general meeting~~. ~~The General Manager shall be responsible for the efficient operation of the office in every respect and shall be held accountable at all times to the Managing Director.~~

ACCOUNTS

18. The Directors shall cause to be kept proper books of account with respect to: -
    (1) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place;
    (2) all sales and purchases of goods by the Company;
    (3) all assets and liabilities of the Company.

19. The books of account shall be kept at the registered office of the Company or at such other placc as the Directors shall think fit and shall be opened to inspection by the Directors during office hours.

AUDIT

20. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Myanmar Companies Act or any statutory modifications thereof for the time being in force.

NOTICE

21. A notice may be given by the Company to any member either personally or sending it by post in a prepaid letter addressed to his registered address.

THE SEAL

22. The Directors shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Directors previously given, and in the presence of one Director at least, who shall sign every instrument to which the Seal is affixed.

INDEMNITY

23. Subject to the provisions of Section 86 (C) of the Myanmar Companies Act and the existing laws, every Director, Auditor, Secretary or other officers of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of the duties or in relation thereto.

WINDING-UP

24. Subject to the provisions contained in the Myanmar Companies Act and the statutory modification thereupon, the Company may be wound up voluntarily by the resolution of General Meeting.

❖ ❖ ❖ ❖

We, the several persons, whose names, nationalities, addresses and descriptions are subscribed below, are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sr. No.	Name, Address and Occupation of Subscribers	Nationality & N.R.C No.	Number of shares taken	Signature
1.	U Kyaw Thura No-18, U Ba Han Street Thingangyun Township, Yangon. (Merchant)	Myanmar 7/ Ta Nga Na (Naing) 052147	250	
2.	Daw Khin Hla Hla No-18, U Ba Han Street Thingangyun Township, Yangon. (Merchant)	Myanmar 7/ Ta Nga Na (Naing) 066165	250	
3.				

Yangon. Dated the 30th day of September 2007

It is hereby certified that the persons mentioned above put their signatures in my presence.

ပတခ(ဝင)၁၈။ 0

ငွေပေးသွင်းသူသို့ ပြန်ပေးရန်

MD-010015 ငေါ်ခင်ဥမ္မာရီ(စု(၂))

ကြိုတင်

ဝင်ငွေခွန်/အမြတ်ခွန် ဥပဒေပုဒ်မ ၁၆(က)/၁၂(က) အရကြိုတင်ပေးငွေ

အခွန်ထမ်းလုပ်ငန်းမှတ်ပုံတင်အမှတ် 2310/MCO/2014-15

အခွန်ထမ်းအမည် Century Bright Gold Co;Ltd

လိပ်စာ

အမှတ်(၄/၆)၊ အခန်းအမှတ် ဂျီ- ၃/၄/၅၊ မြေညီထပ်၊ ကန်တော

ကျပ် 200000

သင့်ငွေ ဂဏန်းဖြင့် ၂၀၀၀၀၀

စာဖြင့်(ကျပ်)

နှစ်သိန်း -တိတိ

ရက်စွဲ ၆၊၆၊၂၀၁၃

ပေးသွင်းသဖြင့်လက်ခံရရှိပါသည်

ဘဏ်မန်နေဂျာ

မြန်မာ့စီးပွားရေး
ဘဏ်တံဆိပ်

6 JUN 2013

MYANMA INVESTMENT AND COMMERCIAL BANK

B A N K   S T A T E M E N T

Account No: FUC100023

Name of Account: Century Bright Gold Co.Ltd

Address: No4/6.RoomNo-G.3/4/5 GroundFloor.Kandawgyi Tower.Kyaikkasan RoadMaugone Qtr:TamweTsp: Yangon

Bank Statement for the month of : From 01/09/2012 To 31/05/2013

Date	Particular	Chq: No.	C/T/L	CUR	Debit	Credit	Balance
	BALANCE FORWARD			EUR			0.00
14/09/2012	-	L	TRF	EUR		14,333.80	14,333.80
19/09/2012	-	L	TRF	EUR		769.80	15.103.60
24/09/2012		L	TRF	EUR	20.00		15,083.60
24/09/2012		L	TRF	EUR	14,463.23		620.37
24/10/2012			TRF	EUR		100.00	720.37
18/01/2013	-	L	TRF	EUR		9,834.00	10,554.37
25/01/2013	-	L	TRF	EUR		185.72	10,740.09
28/01/2013	To 650-008628-38L		TRF	EUR	19.00		10,721.09
28/01/2013	To 650-008628-38L		TRF	EUR	10,512.23		208.86
29/03/2013	Auto Exchange Adj		TRF	MMK			208.86
	Grand Total				25,014.46	25,223.32	

Unless the Bank is immediately notified of any discrepancy found in the statement of account, it will be taken that the account has been found to be correct.

TRANSACTION CODE

CSH = CASH
TRF = TRANSFER
CLG = CLEARING
Number Of Debit =4
Number Of Credit =5

MANAGER

ASST: MANAGER

(4)

Century Bright Gold Co., Ltd.
No........
Date........

FORM VI

RETURN OF ALLOTMENTS
THE MYANMAR COMPANIES ACT.

(See Section 104)

(To be filled with the Registrar within one month after the allotment is made)

Return of allotment from the 24th of December, 2012

on the of of the * CENTURY BRIGHT GOLD CO.,LTD.

Made pursuant to Section 104 (1)

Number of the shares allotted payable in cash .... 29500 Shares

" " " " ....

Nominal amount of the shares so allotted .... Ks. 2,950,000,000/-

" " " " ....

Amount paid or due and payable on cash such share....... Ks. 100,000/- (Fully Paid Up)

" " " " ....

Number of ordinary shares allotted for a consideration other than cash

Nominal amount of the ordinary shares so allotted ....

Amount to be treated as paid on each such share ....

The consideration for which such share have been allotted is as follow: -

---

NOTE : In making a return of allotted under Section 104 (1) the Myanmar Companies Act., it is to be noted that-

... made on different dates the actual

FORM VI

MANAGING DIRECTOR

Date . 24.12.2012

Signature

U Kyaw Thura
Managing Director
Century Bright Gold Co., Ltd.

THE MYANMAR COMPANIES ACT

LIST OF SHAREHOLDERS.

FORM E.

(As required by part II of the Act. See Section 32) ရန်ကုန်တိုင်းဒေသကြီးရုံးခွဲ

* * ● * *

SUMMARY OF SHARE CAPITAL AND SHARES OF THE

CENTURY BRIGHT GOLD COMPANY LIMITED

Made up to the 30th *day of* MAY *being the day of the first Ordinary General Meeting in* 2013.

Nominal Share Capital - K 10,000,000,000/-	
Divided into * 100,000 Shares of K. 100,000/- each	
and Shares of K. each	
and Shares of K. each	
and Shares of K. each	
Total number of shares taken up to the 30th day. MAY , 2013. (This number must agree, with the total shown in the list; as held by existing members)	30,000 SHARES
Numbers of Shares issued subject to payment wholly in cash	
Numbers of Shares issued as fully paid-up otherwise than in cash	
Numbers of Shares issued as partly paid-up to the extent of per share Otherwise than in cash	
● There has been called up on each of 30,000 Shares K.	KS. 100,000/-
There has been called up on each of Shares K.	(FULLY PAID UP)
There has been called up on each of Shares K.	
+ Total amount of calls received including payments on application and allotment ... ... K.	KS. 3,000,000,000/-
Total amount agree to be considered as paid shares which have been issued as fully paid up otherwise than in cash .... K.	
Total amount agreed to be considered as paid shares which have been issued as Partly paid-up to the extent of ... ... per Share ... . K.	
Total amount of Calls unpaid ... . K.	U Kyaw Thura Managing Director Century Bright Gold Co., Ltd.
Total amount of sums paid by way of commission in respect of shares or debentures or allowed by way of discount since date of last summary ... ... K.	
Total amount of shares forfeited ... ... K.	
Aggregate number of shares forfeited ... ... K.	
Total amount of Shares and stock for which share-warrants are outstanding .. .. K.	
Total amount of share-warrants issued ... ... K.	
Do do surrendered since date of last summary K.	
Number of shares or amount of stock comprised in each share-warrant ... ... K.	
Total amount of debt due from the Company in respect of all Mortgages and Charges which are required to be registered with the Registrar under this Act ... ... K.	

When there are shares of different kind of mounts (e.g., Preference and Ordinary or K.2000 or 1000) state the numbers and nominal values separately.

● Where various amounts have been called, or there are shares of different kinds state them separately.

\+ Include what has been received or forfeited as on existing shares.

....**COMPANY LIMITED**

MAY , 2013 ....

Since the date of last return, showing their names and

Of the shares so held .

ACCOUNT OF SHARES

Date and number of certificate of citizenship if issued by Government of the Union of Myanmar	*Number of shares held by existing Members at date of return	** Particulars of Shares Transferred since the date of the last return by persons who are still Members		** Particulars of Shares Transferred since the date of the last return by persons who Ceased to be Members		REMARKS.
		-Number	Date of Registration of Transfer	# Number	Date of Registration of Transfer	
7/ TA NGA NA (NAING)- 052147	1500					
7/ TA NGA NA (NAING)- 066165	1500					
7/ TA NGA NA (NAING)- 066357	16500					
12/ KA MA YA (NAING)- 035751	3300					
12/ THA GA KA (NAING)- 166494	600					
7/ TA NGA NA (NAING)- 063411	1500					
7/ TA NGA NA (NAING)- 066406	1500					
7/ TA NGA NA (NAING)- 154646	600					
7/ TA NGA NA (NAING)- 040171	3000					
TOTAL	30,000 SHARES					

Century Bright Gold Co., Ltd.
No..............
Date..............

U Kyaw Thura
Managing Director
Century Bright Gold Co., Ltd.

** The date of Registration of each transfer should be given as well as the Number of Shares transferred on each date. The particulars should be placed opposite the name of the Transferor and not opposite that of the Transferee, but the name of the Transferee may be inserted in the

FORM E-Contd.

Names and addresses of the persons who are the MANAGERS of the CENTURY BRIGHT GOLD COMPANY LIMITED

On the 30th day of MAY, 2013.

NAME	ADDRESS	FOREIGNERS	Nationality Citizens of the Union of Myanmar
	NIL		

I ALSO HERE-BY CERTIFY THAT THE COMPANY HAS NOT SINCE THE DATE OF LAST RETURN ISSUNED ANY INVITATION TO THE PUBLIC TO SUBSCRIBE FOR ANY SHARES OR DEBENTURE OF THE COMPANY.

Century Bright Gold Co., Ltd.
No............
Date............

U Kyaw Thura
Managing Director
Century Bright Gold Co., Ltd.

Note-Banking Companies must add a list of all their places of business.

I U KYAW THURA (M.D) do here by certify that the above list and summary truly and correctly state the facts as they stood on the 30th day of MAY, 2013.

(State whether Director

Signature

U Kyaw Thura

Century Bright Gold Co., Ltd.

To whom it may concern

This is to certify that Century Bright Gold Co., Ltd. is a Component Company of Kaung Myanmar Aung Group of Companies.

(Kyaw Thura)
Vice-Chairman

No-4/6, Room No-G-3/4/5, Ground Floor, Kandawgyi Tower, Kyaikkasan Road, Maugone Qty, Tamwe Tsp, Yangon, Myanmar.
Office Phone – 95 1-554928, 554907

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံ

ကုန်သည်များနှင့်စက်မှုလက်မှုလုပ်ငန်းရှင်များအသင်းချုပ်

The Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry

No.29, Min Ye' Kyaw Swar Street, Lanmadaw Township, Yangon, Myanmar.

Established In 1919

အသင်းဝင်လက်မှတ်

Certificate of Membership

Membership No. & Date

...22918 (9-11-2011).......

အောက်ဖော်ပြပါ ~~အသင်းအဖွဲ့~~/ ကုမ္ပဏီ(မြန်မာ~~(သို့)နိုင်ငံခြား)အင်တာပရိုက်(စ်)/ သမဝါယမ/ တစ်ဦးပုဂ္ဂလ~~ သည် ဤကုန်သည်စက်မှုအသင်းချုပ်တွင် ၁၃၇၃ ခုနှစ်၊ တန်ဆောင်မုန်းလဆန်း(၁၄) ရက်နေ့မှစ၍ အသင်းဝင်တစ်ဦး ဖြစ်ပါကြောင်း။

The under-mentioned ~~Asociation /~~ Limited Company [Myanmar ~~(or) Foreign] / Enterprise / Cooperative Society / Individual~~ is a member of the UMFCCI with effect from **22918 (9-11-2011)**

အသင်းဝင်အမည်နှင့် လိပ်စာ ရာစုနှစ်တောက်ပသောရွှေကုမ္ပဏီလီမိတက်

အမှတ် ၄/၆၊အခန်း ဂျီ ၃/၄/၅ကျိုက္ကဆံလမ်း၊ မြေညီထပ်၊ ကန်တော်ကြီးတာဝါ၊

မအူကုန်းရပ်ကွက်၊တာမွေမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး။

Member's Name & Address **Century Bright Gold Company Limited**

No.4/6,Room No.G 3/4/5, Ground Floor, Kandawgyi Tower, Kyalkkasan Road, Maugone Quarter,

Tamwe Township, Yangon Division

လုပ်ငန်းမှတ်ပုံတင်အမှတ်နှင့် ရက်စွဲ ၆၈၅/၂၀၀၈-၂၀၀၉ (၁၀.၉.၂၀၀၈)

Business Registration No. and Date **685/2008-2009 (10.9.2008)**

Tel **95-1-554928,554907** Fax - e-mail -

Secretary General **President**

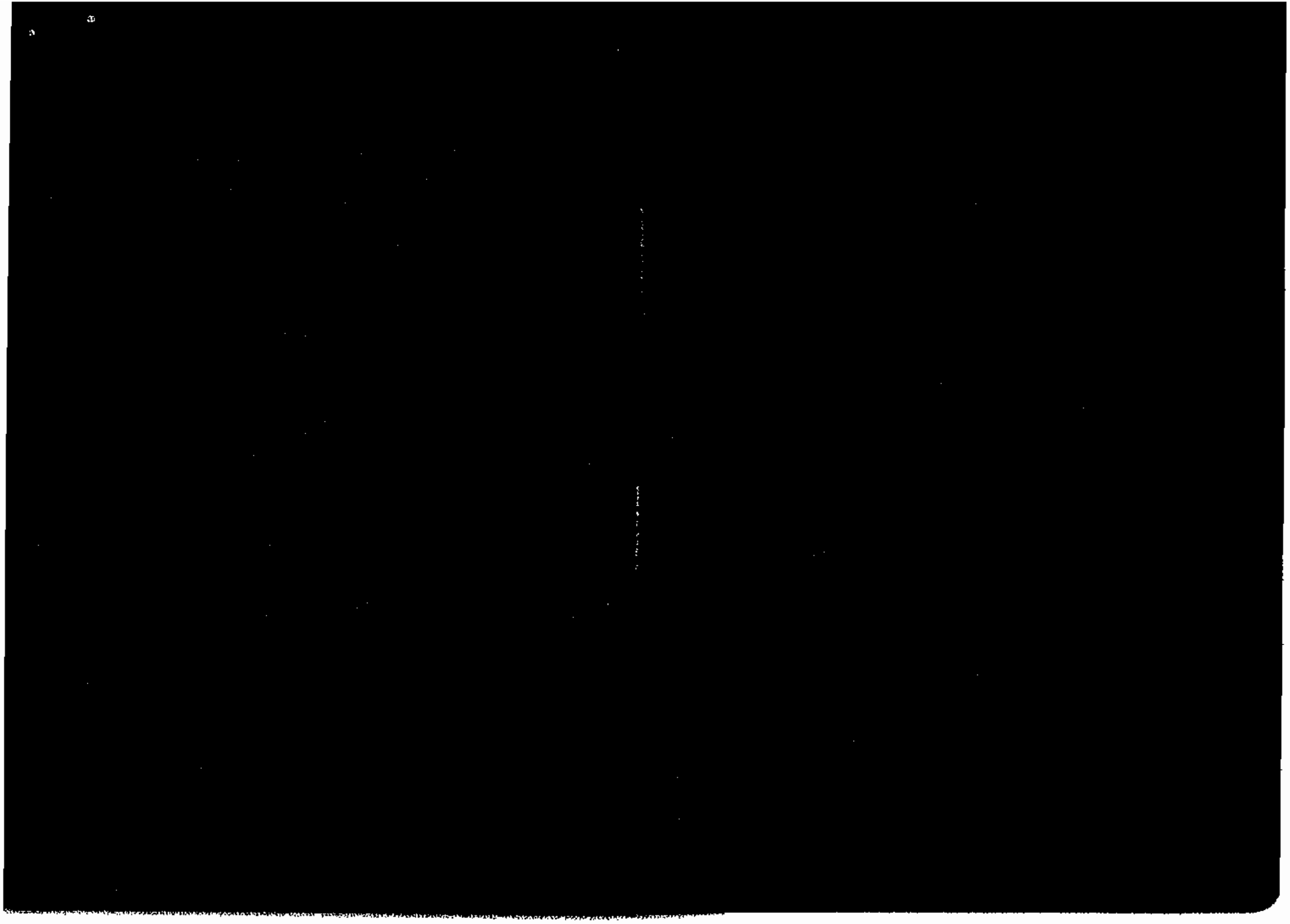
Signature of Member (or) Representative ....

Name & NRC No. **U Kyaw Thura (7/Ta Nga Na (Naing) 052147)**

Designation **Managing Director**

အချက်အလက်ပြောင်းလဲမှုရှိပါက သတင်းပို့၍ အသင်းဝင်လက်မှတ်အသစ် လဲလှယ်ထုတ်ယူပါရန်။

Extended Peroid	**Extended Registration**	**Authorized Signature**
(1) From 1-12-2011 to 30-12-2012	(01857)	Joint Secretary General
(2) From .... to		



[redacted]

FUND ACCOUNT

39162

တရားဝင်ကိုယ်စားလှယ်အလွှဲခံရသူ ဓာတ်ပုံ
ATTORNEY HOLDER PHOTO

တရားဝင်ကိုယ်စားလှယ်အလွှဲခံရသူ၏အကြောင်းအရာ
PARTICULARS OF ATTORNEY HOLDER

၁။ အမည် ....
NAME

၂။ မှတ်ပုံတင်အမှတ် ....
REGISTRATION NO.

၃။ အလုပ်အကိုင် ....
OCCUPATION

၄။ နေရပ်လိပ်စာ ....
ADDRESS

၅။ တယ်လီဖုန်းအမှတ် ....
TELEPHONE NO.

ဤစာအုပ်တွင် စာမျက်နှာ (၃၂) ပါဝင်ပါသည်။
THIS PASSBOOK CONSISTS OF (32) PAGES.

စာရင်းအမှတ် EBC.10.0029
ACCOUNT NO.



စာရင်းပိုင်ရှင်၏ဓာတ်ပုံ
ACCOUNT HOLDER PHOTO

26/9/12

စာရင်းပိုင်ရှင်၏ အကြောင်းအရာ
PARTICULARS OF ACCOUNT HOLDER
Century Bright Gold Co, Ltd /

၁။ အမည် U Kyaw Thura /
NAME

၂။ မှတ်ပုံတင်အမှတ် 7/TaNgaNa(N)0527...
REGISTRATION NO.

၃။ အလုပ်အကိုင် Managing Director /
OCCUPATION

၄။ နေရပ်လိပ်စာ No. 4/6, Room No. G. 3/...
ADDRESS G/F, Kandaw Gyi Tow...

၅။ တယ်လီဖုန်းအမှတ် Kyaik Kasan Rd, Ma... Tamwe Ts...
TELEPHONE NO.

ထုတ်ပေးသည့်ရက်စွဲ
DATE OF ISSUE

မြန်မာ့ရင်းနှီးမြှုပ်နှံမှုနှင့် ကူးသန်းရောင်းဝယ်ရေးဘဏ်

MYANMA INVESTMENT AND COMMERCIAL BANK

စဉ် SR.	ရက်စွဲ DATE	အကြောင်းအရာ PARTICULARS	သွင်းငွေ DEPOSIT		ထုတ်ငွေ WITHDRAWAL		လက်ကျန်ငွေ BALANCE US.$		လက်မှတ်
	14.9.12	Fr. Askas Oo Co. Ltd.	14,333	80			14,333	80	
	19.9.12	Fr. "	769	80			15103	60	
	24.9.12	TOR. T.T/12-13/2997			14463	23	640	37	
	—	Corresp. chges			20	-	620	37	
	24.10.12	New A/C Deposit	100	-			720	37	
	18.10.13	Fr. Askas Oo Co. Ltd.	9834	-			10554	37	

မြန်မာ့ရင်းနှီးမြှုပ်နှံမှုနှင့် ကူးသန်းရောင်းဝယ်ရေးဘဏ်
MYANMA INVESTMENT AND- COMMERCIAL BANK

စဉ် SR.	ရက်စွဲ DATE	အကြောင်းအရာ PARTICULARS	သွင်းငွေ DEPOSIT		ထုတ်ငွေ WITHDRAWAL		လက်ကျန်ငွေ BALANCE US.$		လက်မှတ်
		B/f					10554	37	
	25.1.13	Ri Askar Oo	185	72			10740	09	
		Co, Ltd.							
	28.1.13	R.T.T/12-13/			10512	23	227	86	
		1534							
	"	Co: Allw/chgs.			19	-	208	86	

မြန်မာ့ရင်းနှီးမြှုပ်နှံမှုနှင့် ကူးသန်းရောင်းဝယ်ရေးဘဏ်

MYANMA INVESTMENT AND COMMERCIAL BANK

စဉ် SR.	ရက်စွဲ DATE	အကြောင်းအရာ PARTICULARS	သွင်းငွေ DEPOSIT	ထုတ်ငွေ WITHDRAWAL	လက်ကျန်ငွေ BALANCE US.$	လက်မှတ် SIGNATURE

CENTURY BRIGHT GOLD

COMPANY LIMITED

Financial Statements:

(1) Statement of Financial Position as at March 31, 2012

(2) Statement of Comprehensive Income for the year ended March 31, 2012

(3) Statement of Directors

(4) Report of the Auditor

(5) Schedules

Period : For the Year ended March 31, 2012

CENTURY BRIGHT GOLD COMPANY LIMITED

Statement of Financial Position as at March 31, 2012

Century Bright Gold Co., Ltd. No .... Date ....

		Kyats
Assets		
Intengable Assets		
Fixed Assets (Less: Depreciation)		-
Current Assets		
Cash in Hand (Kyats)	**Sch: (1)**	48,118,650.00
		48,118,650.00
Capital & Liabilities		
Authorised Capital		5,000,000,000.00
50,000 Shares of Ks. 100,000/- each		
Issued & Paid Up Capital		50,000,000.00
500 Shares of Ks. 100,000/-each		
Retained Earning / (Loss)		
Opening Balance	(1,702,600.00)	
Net Profit /(Loss) For The Year	(188,750.00)	
		(1,891,350.00)
Current Liabilities		
Accrued Expenses		10,000.00
		48,118,650.00

U Kyaw Thura
Managing Director
Century Bright Gold Co., Ltd.

U Myint Htwe
Director
Century Bright Gold Co., Ltd.

CENTURY BRIGHT GOLD COMPANY LIMITED

Statement of Comprehensive Income for the year ended March 31, 2012

Century Bright Gold Co., Ltd. No .... Date ....

		Kyats
Income		-
Less: Cost of Sales		-
Gross Profit / (Loss)		-
Less: Expenses		
Administrative Expenses		
Printing & Stationary	15,250.00	
Travelling Expenses	66,500.00	
Documentation Expenses	50,000.00	
Communication Expenses	21,350.00	
Miscellaneous Expenses	25,650.00	
Audit Fees	10,000.00	
		188,750.00
NetProfit/(Loss) for the year		**(188,750.00)**

U Kyaw Thura
Managing Director
Century Bright Gold Co., Ltd.

U Myint Htwe
Director
Century Bright Gold Co., Ltd.

CENTURY BRIGHT GOLD COMPANY LIMITED

Century Bright Gold Co., Ltd.
No ....
Date ....

STATEMENT OF DIRECTORS

We, and being Directors of " **CENTURY BRIGHT GOLD COMPANY LIMITED**" do hereby state that in the opinion of the Directors, the accompanying Accounts made up to **March 31, 2012** schedules and the Financial Statements have been drawn up so as to give a true and correct view of the state affairs of the Company and of the result of its operations for the year ended **March 31, 2012.**

We believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

DIRECTOR	**DIRECTOR**
U Kyaw Thura	U Myint Htwe
Managing Director	Director
Century Bright Gold Co., Ltd.	Century Bright Gold Co., Ltd.

Daw San Kyi

B.Com(Q),C.P.A

Certified Public Accountant

AUDITOR & FINANCIAL CONSULTANT

No.13/15, (1st Floor/ Left),Hledan 2nd Street,No.(3) Quarter,Kamayut Township,Yangon.

Tel : 09-73243209,73076498

REPORT OF THE AUDITOR

TO THE MEMBER OF

" CENTURY BRIGHT GOLD COMPANY LIMITED"

- I have audited the accounts which are signed by Directors in accordance with the provisions of Section 133 of the Myanmar Companies Act of **"CENTURY BRIGHT GOLD COMPANY LIMITED"** for the year ended **March 31, 2012** in accordance with Generally Accepted Auditing Practices and Standards.

- The Company has maintained the Cash Book, General Ledger, Registers and other Documents in accordance with Section 130 of The Myanmar Companies Act.

- In accordance with Section 144/145 of The Myanmar Companies Act, I report that I have obtained all the information and explanations I have required.

- In my opinion, the Company's Accounts reflect the true and fair view of its financial position.

CENTURY BRIGHT GOLD COMPANY LIMITED

2011-2012

Schedules

Statement of Cash in Hand (Kyats) — **Sch: (1)**

	Kyats
Opening Balance (1.4.2011)	48,297,400.00
Receipt	
	-
	-
	48,297,400.00
Payment	
Administration Expenses	178,750.00
Closing Balance (31.3.2012)	**48,118,650.00**

(ပူးတွဲ-၃)

တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-17 ၌ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အိန္ဒိယနိုင်ငံ မှ Reliance Industries Limited နှင့် မြန်မာနိုင်ငံမှ United National Resources Development Services Co., Ltd. တို့သည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်ကို လက်မှတ်ရေးထိုးချုပ်ဆိုမည် ဖြစ်ပါသည်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု
ပြုလုပ်ရန် ကမကထပြုသူ၏ ဆောင်ရွက်ရန်
အဆိုပြုချက်

PROPOSAL OF THE PROMOTER TO MAKE
FOREIGN INVESTMENT IN THE
REPUBLIC OF THE UNION OF MYANMAR

Form (I)

Proposal Form of Promoter for the Investment to be made in the Republic of the Union of Myanmar

To.

Chairman,

Myanmar Investment Commission,

Reference No. 008/910/P(155 /2015)

Date. 11 March, 2015.

I do apply for the permission to make investment in the Republic of the Union of Myanmar in accordance with the Foreign Investment Law by furnishing the following particulars-

1. Promoter's-

(a)	Name	DIRECTOR GENERAL.
(b)	Father's name	ENERGY PLANNING DEPARTMENT.
(c)	National Registration No.	MINISTRY OF ENERGY.
(d)	Citizenship	MYANMAR.
(e)	Address	BUILDING NO.6, NAY PYI TAW, MYANMAR.
(f)	Name of principle organization	MINISTRY OF ENERGY.
(g)	Type of business	PETROLEUM EXPLORATION AND DEVELOPMENT.
(h)	Principle company's address	BUILDING NO.6, NAY PYI TAW, MYANMAR.

2. If the investment business is formed under Joint Venture, partners-

(a)	Name	RELIANCE INDUSTRIES LTD. + UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.
(b)	Father's name	RELIANCE INDUSTRIES LTD. + UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

(c) National Registration No. INDIA + MYANMAR

(d) Citizenship INDIA + MYANMAR

(e) Address -

(i) Address in Myanmar - UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD., NO. 35, ZAYYA THUKHA 3RD STREET, BLOCK 54, THUWANA, THINGANKYUN TOWNSHIP, YANGON.
FAX: +95 1 570 366

(ii) Residence abroad - RELIANCE INDUSTRIES LTD., RELIANCE CORPORATE PARK, BUILDING 12 B, SECOND FLOOR, GHANSOLI, THANE BELAPUR ROAD, NAVI MUMBAI, INDIA– 400 701, INDIA
FAX: +91 22 2760 0606

(f) Parent company
- RELIANCE INDUSTRIES LTD.,
- UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

(g) Type of business PETROLEUM.

(h) Parent company's address
- RELIANCE INDUSTRIES LTD., RELIANCE CORPORATE PARK, BUILDING 12 B, SECOND FLOOR, GHANSOLI, THANE BELAPUR ROAD, NAVI MUMBAI, INDIA– 400 701, INDIA
FAX: +91 22 2760 0606
- UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD., NO. 35, ZAYYA THUKHA 3RD STREET, BLOCK 54, THUWANA, THINGANKYUN TOWNSHIP, YANGON.
FAX: : +95 1 570 366

Remark: The following documents need to attach according to the above paragraph (1) and (2):-

(1) Company registration certificate (copy);
(2) National Registration Card (copy) and passport (copy);
(3) Evidences about the business and financial conditions of the participants of the proposed investment business;

3. Type of proposed investment business -
   (a) Production PETROLEUM
   (b) Service business related with manufacturing
   (c) Service
   (d) Others

Remark: Expressions about the nature of business with regard to the above paragraph (3)

4. Type of business organization to be formed:-
   (a) One hundred percent
   (b) Joint Venture
      (i) Foreigner and citizen RELIANCE INDUSTRIES LTD. 96%, UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. 4%
      (ii) Foreigner and Government department/organization
      IN COMMERCIAL PRODUCTION PERIOD MYANMA OIL AND GAS ENTERPRISE 20%, THE REST 80% (RELIANCE INDUSTRIES LTD. 76.8 %, UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. 3.2%)
   (c) By contractual basis
      (i) Foreigner and citizen
      (ii) Foreigner and Government department/organization
      (to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

Remark: The following information needs to attach for the above Paragraph(4):-
   (i) Share ratio for the authorized capital from abroad and local, names, citizenships, addressed and occupations of the directors;
   (ii) Joint Venture Agreement (Draft) and recommendation of the Union Attorney General Office if the investment is related with the State;
   (iii)Contract (Agreement) (Draft)

5. Particulars relating to company incorporation -
   (a) Authorized Capital
   (b) Type of share PRODUCTION SHARING CONTRACT.
   (c) Number of shares

Remark: Memorandum of Association and Articles of Association of the Company shall be submitted with regard to above paragraph 5.

6. Particulars relating to capital of the investment business-

		Kyat/US$ (Million)
(a)	Amount of local capital to be contributed	-
(b)	Amount of foreign capital To be brought in	116.45 MMUS$
	Total	**116.45 MMUS$**

(c) Annually or period of proposed capital to be brought in - 2015 to 2022

(d)	Last date of capital brought in	2022
(e)	Proposed duration of investment	7 Year
(f)	Commencement date of construction	2015
(g)	Construction period	2015 to 2022

Remark: Describe with annexure if it is required for the above Para 6(c).

7. Detail list of foreign capital to be brought in -

		Foreign Currency (Million)	Equivalent Kyat (Million)
(a)	Foreign currency (Type and amount)	116.45 MMUS$	
(b)	Machinery and equipment and Value (to enclose detail list)	WILL BE FURNISHED LATER.	
(c)	List of initial raw materials and Value (to enclose detail list)		
(d)	Value of licence, intellectual Property, industrial design, trade mark, patent rights, etc.		
(e)	Value of technical know-how		
(f)	Others		
	Total	**116.45 MMUS$**	

Remark: The evidence of permission shall be submitted for the above para 7 (d) and (e).

8. Details of local capital to be contributed -

Kyat (Million)

(a) Amount
(b) Value of machinery and equipment
(to enclose detail list) WILL BE FURNISHED LATER.
(c) Rental rate for building / and
(d) Cost of building construction
(e) Value of furniture and assets
(to enclose detail list) WILL BE FURNISHED LATER.
(f) Value of initial raw material requirement
(to enclose detail list)
(g) Others

Total ____________________

9. Particulars about the investment business –
(a) Investment location(s)/place OFFSHORE BLOCK M-17
(b) Type and area requirement for land or land and building
(i) Location TANINTHARYI OFFSHORE AREA
(ii) Number of land/building and area
(iii) Owner of the land
(aa) Name/company/department
(bb) National Registration Card No.
(cc) Address
(iv) Type of land
(v) Period of land lease contract
(vi) Lease period
(vii) Lease rate
(aa) Land
(bb) Building
(viii) Ward
(ix) Township
(x) State/Region

(xi) Lessee

(aa) Name/Name of Company/Department

(bb) Father's name

(cc) Citizenship

(dd) ID No./Passport No.

(ee) Residence Address

Remark: Following particulars have to enclosed for above Para 9(b)

(i) to enclose land map, land ownership and ownership evidences ;

(ii) draft land lease agreement, recommendation from the Union Attorney General if the land is related to the State ;

(c) Requirement of building to be constructed;

(i) Type/number of building

(ii) Area

(d) Product to be produced/Service

(i) Name of product

(ii) Estimate amount to be produced annually

(iii) Type of service CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(iv) Estimate value of service annually

Remark: Detail list shall be enclosed with regard to the above para 9 (d).

(e) Annual requirement of materials/raw materials.

Remark: According to the above para 9(e) detail list of products in terms of type of products, quantity, value, technical specifications for the production shall be listed and enclosed.

(f) Production system

(g) Technology

(h) System of sales EXPORT & DOMESTIC SALES TO MYANMA OIL AND GAS ENTERPRISE

(i) Annual fuel requirement
(to prescribe type and quantity)

(j) Annual electricity requirement OWN GENERATOR

(k) Annual water requirement
(to prescribe daily requirement, if any)

10. Detail information about financial standing -

(a) Name/company's name RELIANCE INDUSTRIES LTD., AND UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

(b) ID No./ National Registration Card No./Passport No.

(c) Bank Account No.

Remark: To enclose bank statement from resident country or annual audit report of the principle company with regard to the above para 10.

11. Number of personnel required for the proposed economic activity:

(a) Local personnel ( ) number ( )%
WILL BE FURNISHED LATER.

(b) Foreign experts and technicians ( ) number ( )%
WILL BE FURNISHED LATER.

(Engineer, QC, Buyer, Management, etc. based on the nature of business and required period)

Remark: As per para 11 the following information shall be enclosed:-

(i) Number of personnel, occupation, salary, etc;
(ii) Social security and welfare arrangements for personnel;
(iii) Family accompany with foreign employee ;

12. Particulars relating to economic justification :-

		Foreign Currency	Equivalent Estimated Kyat	
	STUDY Period (1 Yrs)	Initial Exploration Period (3Yrs)	1st Extension Period (2Yrs)	2nd Extension Period (1Yr)
(a) Annual income		-	-	-
(b) Annual expenditure (MMUS$)	1.00	55.80	26.80	21.80
(c) Annual net profit		-	-	-
(d) Yearly investments (MMUS$)	1.00	55.80	26.80	21.80
(e) Recoupment period		-	-	-
(f) Other benefits (to enclose detail calculation)		-	-	-

13. Evaluation of environmental impact:- WILL BE FURNISHED LATER.

(a) Organization for evaluation of environmental assessment;

(b) Duration of the evaluation for environmental assessment; EIA/SIA

6 MONTHS (0.10 MMUS$)

(c) Compensation programme for environmental damages

(d) Water purification system and waste water treatment system;

(e) Waste management system;

(f) System for storage of chemicals

14. Evaluation on social impact assessments; WILL BE FURNISHED LATER.

(a) Organization for evaluation of social impact assessments;

(b) Duration of the evaluation for social impact assessments; EIA/SIA

6 MONTHS

(c) Corporate social responsibility programme;

Signature	
Name	U Pe Zin Tun
Designation	Director General
	Energy Planning Department

နောက်ဆက်တွဲ(က)

JOINT BIDDING AGREEMENT

between

RELIANCE INDUSTRIES LIMITED

AND

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES COMPANY LIMITED

relating to

MYANMAR OFFSHORE BIDDING ROUND 2013

TABLE OF CONTENTS

THIS JOINT BIDDING AGREEMENT is made the 11th day of November 2013 between:

Reliance Industries Limited, having its registered office at Maker Chambers IV, 3rd floor, 222, Nariman Point, Mumbai 400 021, India (hereinafter referred to as "RIL" which expression shall include unless repugnant to the context or contrary to the meaning thereof, its administrators and/ or successors);

AND

United National Resources Development Services Company Limited, a company incorporated in Myanmar whose registered office is at No.35, Zayya Thukha 3rd St, Blk (54) Thuwana, Thingangyun Township, Yangon, Myanmar (hereinafter referred to as "UNRD" which expression shall include unless repugnant to the context or contrary to the meaning thereof, its administrators and/ or successors).

WHEREAS

A. The Government (hereinafter defined) has invited bids from interested parties to acquire Contracts (hereinafter defined) for the exploration of oil and natural gas in blocks under the Invitation for Bids to Conduct Petroleum Operations in Myanmar Offshore Areas (2013) ("Bid Round");

B. The Parties (hereinafter defined) are interested in jointly submitting one or more Bids (hereinafter defined) as part of the Bid Round for the purpose of working together and jointly pursuing the award of Contracts in the Selected Blocks (hereinafter defined) and share acquisition costs and minimize the individual risks, expenses, and investments related to the evaluation, exploration and/or development of petroleum operations in respect of any Selected Block; and

C. The Parties desire to establish their respective interests, rights, benefits, obligations and liabilities pertaining to their evaluation of the Blocks (hereinafter defined), the submission of one or more joint Bids in respect of the Selected Blocks (hereinafter defined) and any other transaction contemplated hereunder.

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS

"Affiliate" means, in relation to a Party, a company, partnership or other legal entity which controls, or is controlled by the Party, or which is controlled by an entity, which controls the Party. Control means the ownership, directly or indirectly, (i) in case of RIL, of more than fifty (50%) percent; or (ii) in case of UNRD of hundred (100%) percent; of the shares or voting rights in a company, partnership or legal entity. Further, with respect to any natural person, the term "Affiliate" shall include such individual's spouse, children and estate planning vehicles.

"Agreement" means this joint bidding agreement together with the Appendices appended hereto.

"Anti-Corruption Laws" means:

(a) the OECD Convention;

(b) the FCPA (meaning the Foreign Corrupt Practices Act of 1977 of the United States of America, as amended by the Foreign Corrupt Practices Act Amendments of 1988 and 1998, and as may be further amended and supplemented from time to time);

(c) the following United Kingdom laws, as may be amended and supplemented from time to time:

   (i) the Public Bodies Corrupt Practices Act 1889;

   (ii) the Prevention of Corruption Act 1906;

   (iii) the Prevention of Corruption Act 1916;

   (iv) the English common law offence of bribery; and

   (v) the Bribery Act 2010 and any regulations or guidance issued pursuant to such legislation; and

(d) applicable anti-bribery and anti-corruption laws made applicable by the Government;

and in the event that a person or any of its Associated Persons is outside the jurisdiction or scope of any such law, such law shall nevertheless be interpreted as if it applies to such person or Associated Person, as the case may be, as though such person or Associated Person were within the jurisdiction and scope of such law, provided, however, that this should not be construed to submit such person or Associated Person to the jurisdiction of these laws.

"Associated Person" means, in relation to a Party, any director, officer, employee, agents or contractors of that Party.

"Bid" means a bid application jointly made by the Parties pursuant to this Agreement in respect of a Selected Block.

"Bid Due Date" means the date on which Bids are due which presently is 15 November 2013, or such other date as may be announced and extended by the Government.

"Bid Round" has the meaning ascribed in the Recitals.

"Biddable Terms" means the terms, if any, to be included in any Bid for a Selected Block for submission by the Bid Due Date in the form and detail as specified in the Bid Round bidding procedures.

"Block" means a block made available or expected to be made available for petroleum operations by the Government in the Bid Round from amongst the Myanmar offshore exploration blocks shown in the Appendix I.

"Carried Party" means UNRD.

"Carry Period" means in relation a Contract and JOA, the period starting from the later of (a) date of signing of the Contract; or (b) effective date of the relevant Contract, and ending upon, the earlier of, (a) the duration of Initial Exploration Period including extensions thereof as provided in Section 3.4 of the Contract, (b) the date on which notification of first Commercial Discovery is made under the terms of the relevant Contract or (c) transfer, assignment or sale (directly or indirectly) by UNRD of its Participating Interest as provided in Section 8

"Commercial Discovery" has the same meaning as may be ascribed to it in the Contract.

"Contract" means a production sharing contract based on MPSC which shall be negotiated and/or executed between the Government and the Parties as a result of any Bid being accepted by the Government and awarded to the Parties in respect of a Selected Block.

"Effective Date" means the date as first written above.

"Government" means the Government of the Republic of the Union of Myanmar and any other ministry, agency or organization, department, office and/or bureau of the Government with jurisdiction over the Bid Round and the Blocks.

"Government Official" means, whether appointed, elected or otherwise any:

(a) officer or employee of a government or any department, agency or instrumentality of a government;

(b) person acting in an official capacity or exercising a public function for or on behalf of a country or territory (or any subdivision of such a country or territory) or a government or any department, agency, enterprise or instrumentality of a country or territory (or any subdivision of such a country or territory) or a government;

(c) officer or employee of a company or business which is majority owned or controlled by a government;

(d) officer, employee or agent of a public international organisation such as the World Bank or United Nations; and/or

(e) officer or employee of a political party or any person acting in an official capacity on behalf of a political party.

"Joint Operating Agreement ("JOA")" means the joint operating agreement as described in Article 7.3 hereof to be entered into by and between RIL and UNRD governing their relationship in respect of a Selected Block and/or the Contract, if applicable.

"MPSC" means applicable model production sharing contract for the Block(s) provided by the Government to prospective bidders as part of Bid Round documents.

"Operator" means the Party to be designated as operator in respect of any successful Bid awarded by the Government to the Parties and under any JOA or Contract, in accordance with Article 4 hereto.

"Participating Interest" means the undivided interest (expressed as a percentage of the total interests of all Parties) to be held by a Party in and to all the rights, benefits, obligations, liabilities and costs pursuant to this Agreement and, if applicable, any JOA or Contract, upon it becoming effective, in respect of any Selected Block.

"Parties" means the parties signatory to this Agreement including their administrators and/or successors and the term "Party" means either of the Parties.

"Selected Block" means a Block selected by RIL and with respect to which RIL decides to submit a Bid on behalf of the Parties in accordance with this Agreement.

2. SCOPE OF THE AGREEMENT

2.1 The scope and purpose of this Agreement is to set forth the terms and conditions under which the Parties shall conduct the evaluation of the Blocks and any submission of one or more joint Bids in respect of Selected Blocks as part of the Bid Round, including their relationship in respect of any successful Bid awarded by the Government to the Parties.

3. PARTICIPATING INTERESTS AND RESPONSIBILITIES

3.1 Subject to the terms of Section 19 of the MPSC (or similar provision of Contract) pertaining to State Participation, the Parties shall have the following Participating Interests under this Agreement and, if applicable, under any JOA or Contract, upon it becoming effective, in respect of any successful Bid:

RIL:	96%
CARRIED PARTY:	04%

3.2 Except as otherwise provided in this Agreement, all rights, benefits, obligations, liabilities and costs which arise or are related to this Agreement shall be borne or enjoyed by the Parties in accordance or proportion with their respective Participating Interests.

3.3 As between themselves, the rights, benefits, obligations, liabilities and costs of the Parties shall be several and not joint or collective, and each Party shall be responsible for its Participating Interest share of liability in respect of any claim by other parties.

3.4 It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create, a mining or other partnership, joint venture, association or trust, or to authorise any Party to act as an agent, servant, or employee for the other Party.

3.5 For the avoidance of doubt, in the event that, following a Commercial Discovery, the Government exercises its rights under a Contract to acquire Participating Interest then the Participating Interests of each of the Parties who are parties to the Contract shall be reduced in proportion to their respective initial Participating Interests.

4. LEAD COMPANY AND OPERATOR

4.1 The Parties acknowledge that RIL shall lead the evaluation of the Blocks and in that capacity would decide on the terms to be included in the Bid, without any obligation to disclose the same.

4.2 Parties agree that RIL shall be designated as the Operator in respect of any successful Bid awarded by the Government to the Parties.

4.3 RIL, shall:

(a) prepare and collate any Bid in relation to any Selected Block such that it can be submitted pursuant to this Agreement and Bid Round bidding instructions;

(b) act as the lead communicator on behalf of the Parties in all discussions with the Government in connection with the activities relating to the submission of a Bid;

(c) act as the lead negotiator for the Parties in discussions with the Government to negotiate a Contract, and/or any associated agreement;

(d) in the event a Contract is executed, fulfill the role of Operator under the Contract and the JOA.

4.4 Neither Party shall be liable for and is hereby indemnified by the other Party (to the extent of the other Party's Participating Interest) in respect of any loss or damage incurred by the Parties:

(a) as a result of the Party designated as the Operator discharging its respective obligations under Articles 4.1, 4.2 and 4.3, as the case may be, howsoever arising (whether in contract or tort) and irrespective of its negligence (whether sole, joint, contributing, or concurrent), or strict liability; or

(b) in respect of the quality, accuracy, or suitability or outcome of a Bid submitted on behalf of the Parties pursuant to this Agreement

except to the extent that such loss or damage is attributable to the Gross Negligence/Wilful Misconduct of such indemnified Party. For purposes of this provision "Gross Negligence / Willful Misconduct" means any act or failure to act (whether sole, joint or concurrent) by any person or entity that was intended to cause, or was in reckless disregard of or wanton indifference to, harmful consequences such person or entity knew, or should have known, such act or failure would have on the safety or property of another person or entity.

4.5 Notwithstanding Article 4.4 and subject to Article 9, neither Party shall be liable to and hereby indemnifies the other Party for any loss of profit or revenue, loss of contract or business opportunity, any environmental or punitive loss or damage, or any indirect or consequential loss or damage of any kind or description howsoever arising (whether in contract or tort) and irrespective of negligence (whether sole, joint, contributing, or concurrent), or strict liability.

4.6 For the purposes of this Article 4, all limitations to any Party's liability shall extend to such Party's Affiliates, as well as to directors, officers, managers, employees, and agents of such Party's Affiliates who act on behalf of such Party to discharge the obligations in connection with the Bid and/or this Agreement.

5. GENERAL RIGHTS AND OBLIGATIONS OF PARTIES

5.1 UNRD shall make available to RIL all relevant data pertaining to the Blocks and which are generally available to it and can be disclosed without violating any obligations of confidentiality it has with third parties.

5.2 RIL may use the data and information disclosed to it under this Agreement to help it to further evaluate the Blocks.

5.3 Any disclosure or mutual use of intellectual property rights of a Party under this Agreement shall not be considered as a transfer or license of the said intellectual property rights and ownership of the same shall remain with the disclosing Party.

5.4 Neither Party makes any representations nor warranties, express or implied, as to the quality, accuracy and completeness of the technical data, information and interpretation disclosed hereunder by it to the other Party. Each Party, its Affiliates, its officers, directors and employees shall have no liability whatsoever with respect to the use of or reliance upon such technical data, information and interpretations disclosed by it hereunder to the other Party or such other Party's Affiliates.

5.5 The information and data exchanged pursuant to this Agreement shall be deemed to have equal value and no other consideration shall pass between the Parties for such exchange of information and data.

5.6 UNRD has represented that the UNRD, its directors and its shareholders/beneficial owners, its Affiliates or any of them are not persons listed on the specially designated nationals list of

any country and are not persons who are covered by any sanctions imposed by any country / region including but not limited to United States of America, European Union, Australia, Singapore etc.

5.7 UNRD has further represented that it is a prequalified local company of Myanmar for the purpose of bidding under Myanmar Offshore Blocks Bidding Round 2013 and has adequate financial and technical capabilities to perform its obligations under this Agreement, Contract and JOA.

6. BID ROUND BID PREPARATION PROCESS

6.1 The Parties acknowledge that it is their intention to potentially submit a joint Bid for upto a maximum of three (3) Selected Blocks (if any) subject to the terms set out herein Notwithstanding anything contained herein, Parties agree that nothing contained herein shall oblige RIL to shortlist a Block or submit a Bid in respect of a Selected Block.

6.2 Operator shall prepare and submit the Bid in respect of any Selected Block in a timely manner and no later than the Bid Due Date and UNRD hereby authorises Operator to prepare and submit the Bid on its behalf. UNRD shall provide to Operator all necessary information and assistance as required by Operator for inclusion in the Bid in accordance with the Bid Round bidding procedures.

6.3 A Party not wishing to participate in a Bid ("Withdrawing Party") may, at any time after the Effective Date, withdraw from the Bid by submitting a notice in writing to the other Party not later than two (2) days prior to the Bid Due Date. The withdrawal becomes effective when the other Party has received the notice of withdrawal, after which the Withdrawing Party shall not be entitled to participate in any matter relating to such Bid with any third party. The obligations and liabilities for which a Withdrawing Party remains liable are set out under Article 4.5, in respect of the period up to the effective date of withdrawal, and Article 8, in respect of costs, liabilities and expenses accrued or incurred up to the effective date of withdrawal.

6.4 If a Party decides to withdraw from a Bid, then in respect of such Bid, the non-Withdrawing Party is entitled to submit the Bid with a third party. The non-Withdrawing Party may also show any Confidential Information relevant to the Block corresponding to such Bid to any bona fide prospective bidder, provided however, that such prospective bidder agrees to to be bound by terms no less stringent than those set out in Articles 9 and 10. The non-Withdrawing Party may jointly submit a Bid with the prospective bidder for the corresponding Block.

7. CONTRACT AND JOA

7.1 In respect of a Contract and subject to Article 4, if a Bid is successful as part of the Bid Round, the Parties shall proceed to negotiate and enter into a Contract with the

Government. Under no circumstances shall RIL be obligated to accept a Contract which contains Biddable Terms or equivalent beyond those submitted by the Parties as their Bid. Thus, if, following the submission of any Bid, the Government notifies the Parties of alternative terms, then RIL shall propose a response to such alternative terms within the timeframe allowed under the circumstances.

7.2 The Parties agree that decision of RIL with respect to modification (or otherwise) of the relevant joint Bid shall be final and such decision will be acceptable to the Parties.

7.3 Only in respect of a successful Bid, after the Bid Due Date the Parties shall use reasonable endeavours to negotiate in good faith and agree the terms of and execute a JOA, with RIL preparing the draft which incorporates the heads of agreements agreed between the Parties as set out in Appendix II. The Parties acknowledge their intention is to execute a JOA at the time of the Government and the Parties executing the Contract for such successful Bid.

8. RIL'S CARRY OBLIGATIONS

8.1 In the event that pursuant to submission of Bid, Parties execute Contract(s) with the Government, then subject to the terms of the relevant Contract, relevant JOA, Clause 8.5 and 8.6 below, RIL shall be obliged to incur all the financial expenses in relation to Carried Party's four (4) Percent Participating Interest under the relevant Contract and relevant JOA during the Carry Period.

8.2 Upon completion of Carry Period, RIL shall promptly provide UNRD with a statement of cost and expenses which RIL may have incurred pursuant to Clause 8.1.

8.3 UNRD agrees that upon completion of Carry Period with respect to the relevant Contract and relevant JOA, it shall:

(a) Immediately start funding its financial obligations with respect to its Participating Interest share of costs associated with the relevant Contract and relevant JOA;

(b) Within sixty (60) days of receipt of statement of costs and expenses mentioned in Clause 8.2, be obliged to repay to RIL all the amounts which RIL may have incurred (including all non-recoverable costs under the Contract like Data Fee, Signature Bonus etc)on behalf of UNRD in terms of Clause 8.1 above in relation to the relevant Contract and JOA, together with an interest of ten (10) percent compounded annually calculated for the Carry Period.

8.4 In the event that UNRD is unable to repay to RIL, the amounts calculated by RIL in terms of Clause 8.2 within the timelines prescribed therein, then without prejudice to RIL's rights under the JOA and applicable law, UNRD shall be liable to pay to RIL an interest at the rate of eighteen (18) percent compounded annually for each day of delay. If UNRD is in continuos default for a period of ninety (90) days of its payment obligations hereunder or under the terms of the relevant Contract or relevant JOA, then RIL shall without prejudice to

its rights under the applicable laws, have the right to require UNRD to assign its Participating Interest in the relevant Contract and relevant JOA to RIL at no cost to RIL.

8.5 As a condition to RIL funding Carried Party's financial obligations pursuant to Clause 8.1 above, UNRD agrees not to assign its Participating Interest, directly or indirectly, under the relevant Contract and the relevant JOA to any third party either by way way of transfer of Participating Interest, sale of the shares of UNRD or its controlling entities, or otherwise. unless UNRD has offered to assign such Participating Interest to RIL on such terms as a third party may have proposed, and RIL has declined in writing to acquire Carried Party's Participating Interest.

8.6 In the event that RIL declines to acquire Carried Party's Participating Interest in terms of Clause 8.5 and UNRD assigns the same to a third party then RIL's obilgations under Clause 8.1 with respect to funding Carried Party's Participating Interest share of financial obligation shall immediately cease to exist and UNRD shall be obliged to pay all the amounts which RIL may have incurred on behalf of UNRD pursuant to Clause 8.1 above and computed in accordance with Clause 8.3 (b) above prior to assignment of Participating Interest to a third party.

9. EVALUATION, BID AND NEGOTIATION COSTS

Whether or not the matters contemplated herein shall be completed and/or successful, each Party shall pay and bear its own expenses and costs incurred, incidental and/or relating to the negotiation of this Agreement, evaluating the Blocks, participating in and submitting a joint Bid in respect of Selected Blocks, and/or preparing, negotiating and executing the JOA and/or the Contract, as the case may be, as well as all costs and expenses of its own personnel and related travel and accommodation costs. The cost of any evaluations and studies carried out by a Party prior to the Effective Date shall be solely borne by such Party. If any costs are agreed to be jointly shared by the Parties then such agreement shall be in writing and each Party will pay its Participating Interest share of such costs.

10. EXCLUSIVITY

10.1 Except as provided for in this Agreement, UNRD undertakes that it and its Affiliates shall only act with RIL to:

(a) enter into any arrangement or agreement; or

(b) make, participate in and/or submit any bid to the Government;

to acquire an interest in any of the Blocks.

10.2 Subject to RIL's acceptance and without prejudice to any other remedies that RIL may have, if the UNRD or its Affiliates acquires an interest in violation of this undertaking, then UNRD shall immediately notify the RIL and shall, upon RIL's request, assign or cause to be

assigned, all of the interest so acquired, to RIL for the same consideration paid by the UNRD or its Affiliate to the entity from whom that interest was acquired.

11. CONFIDENTIALITY

11.1 "Confidential Information" means any and all Biddable Terms, data, legal, financial, commercial, technical and other data, knowledge and information relating to the Blocks disclosed by one Party ("Disclosing Party") to the other ("Receiving Party"), including any and all information acquired, interpreted or developed pursuant to this Agreement. Confidential Information shall be held confidential by all Parties for a period of three (3) years from the termination of this Agreement.

11.2 The Receiving Party may disclose the Confidential Information without the prior written consent of the Disclosing Party to the extent such information:

(a) is already in the public domain or comes into the public domain other than through a breach of the terms of this Agreement by the Receiving Party or by any person to whom disclosure of the Confidential Information by the Receiving Party is permitted pursuant to Article 11.3; or

(b) is required to be disclosed under applicable law or by a government order, decree, regulation or rule binding upon the Receiving Party provided that, as soon as practicable, the Receiving Party shall give prior written notice to the Disclosing Party that such disclosure is required.

11.3 The Receiving Party may also disclose the Confidential Information without the prior written consent of the Disclosing Party to:

(a) the Receiving Party's Affiliates;

(b) the Receiving Party's and its Affiliates employees, contractors, consultants, translators, officers and directors who have a clear need to access such Confidential Information for the purpose of evaluating, negotiating or advising on matters arising out of or related to this Agreement; and

(c) such other persons who have a clear need to access it for the purpose of evaluating, negotiating or advising on matters arising out of or related to this Agreement.

11.4 Prior to making any disclosure of Confidential Information as permitted under Article 11.3 hereto, the Receiving Party will procure that the proposed recipient of such Confidential Information shall keep the Confidential Information confidential and shall not disclose or divulge the Confidential Information to any unauthorized person.

12. PRESS RELEASES

The Parties shall mutually agree the text of all public statements, including press announcements regarding this Agreement, the Contract or the JOA, as the case may be,

that are sought to be made by (or on behalf of) UNRD (or its Affiliate). RIL or any of its Affiliate shall not be prohibited from issuing or making any public announcement or statement regarding this Agreement, the Contract or the JOA, as the case may be, if it is necessary to do so in order to comply with any applicable law or the regulations of a recognised stock exchange or its corporate policies.

13. ASSIGNMENT

Except as otherwise provided in this Agreement, UNRD shall not assign either directly or indirectly, all or any part of its Participating Interest in this Agreement or in a Bid either by way of transfer of Participating Interest, sale of the shares of UNRD or its controlling entities, or otherwise, to any third party.

14. EFFECTIVE DATE AND TERMINATION

14.1 This Agreement shall take effect on the Effective Date and shall terminate forthwith upon the first to occur of any of the following events:

(a) immediately after the Bid Due Date in respect of Block(s) for which Bid is not submitted;

(b) where a Party withdraws from a Bid in accordance with Article 6.4 in which case this Agreement terminates in relation to such Selected Block;

(c) If the Parties are notified that a Contract has been signed by third parties in respect of a Selected Block for which a Bid was submitted or if a Bid on a Block is finally rejected by the Government, in which case this Agreement terminates in relation to such Block; or

(d) a JOA and Contract are executed in relation to a Block being awarded to the Parties by the Government, in which case this Agreement terminates in relation to such Block when the respective obligations of the Parties in Clause 8 have ceased to exist;

(e) 18 months from the Effective Date; or

(f) by mutual written agreement of the Parties.

14.2 Termination of this Agreement shall be without prejudice to the rights and obligations of the Parties existing as at the date of termination.

14.3 Notwithstanding the above provisions regarding termination of this Agreement or withdrawal by a Party under Article 6, each Party shall remain bound by the provisions of Articles 4.4, 4.5, 5.2, 5.3, 6.4, 8.5, 8.6, 9 (except in the case of termination pursuant to Articles 14.1(d) to 14.1(e)), 11, 12, 16, 17 and 18.

15. NON-WAIVER

No waiver by either Party of any provision of this Agreement, no consent to or departure therefrom shall be binding unless made expressly and confirmed in writing. Further, any

such waiver or consent shall relate only to such matter, non-compliance or breach as it expressly relates to and for the purpose for which it is given and shall not apply to any subsequent or other matter, non-compliance or breach. No default or delay on the part of either Party in exercising any rights, power or privilege hereunder shall operate as a waiver thereof or of any rights or remedies hereunder.

This Agreement may be amended or varied only by an instrument in writing executed by both Parties.

16. NOTICES

16.1 All notices authorised or required between the Parties shall be in writing, in English and delivered in person or by registered mail, by courier service or by facsimile followed by hard copy means of transmitting written communications which provides written confirmation of complete transmission, and addressed to such persons as designated below. Each Party shall have the right to change its address at any time and/or designate that copies of all such notices be directed to another person at another address by giving notice thereof to the other Party.

16.2 All notices shall also be copied by email to the recipient's email address as shown in Article 16.3 but failure to send such email shall not render ineffective a notice otherwise properly given under this Article 16.

16.3 The notices shall be sent to the following destinations:

Reliance Industries Limited

Attention:	Mr. Atul Laul
Address:	Reliance Corporate Park
	Building 12 B, Second Floor,
	Ghansoli
	Thane Belapur Road
	Navi Mumbai, India – 400 701
Facsimile:	+91 22 2760 0606
Email:	atul.laul@ril.com

With a copy to: Mr Jai Bhagwan Bansal (email: jai.bansal@ril.com)

United National Resources Development Services Company Limited

Attention: Mr. Kyaw Khine Thein

Address: No.35, Zayya Thukha 3rd St, Blk (54) Thuwana,

Thingangyun Township, Yangon, Myanmar

Facsimile: +95 1 570366

Email: kyawkhinethein@gmail.com

With a copy to: Mr Zin Maung Lun (zmaung.mm@gmail.com)

17. APPLICABLE LAW AND DISPUTE RESOLUTION

17.1 This Agreement, and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation, or otherwise) shall be governed by and construed in accordance with the laws of England and Wales.

17.2 All differences relating to or disputes arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination which cannot be amicably resolved by the Parties shall be referred to arbitration in accordance with the arbitration rules of the United Nations Chamber on International Trade Law ("UNCITRAL").

17.3 The arbitral tribunal shall consist of three arbitrators. Each Party shall appoint one arbitrator notifying the arbitrator of the differences/disputes to be adjudicated. The two arbitrators so appointed shall appoint the third arbitrator who shall act as the presiding arbitrator. The appointing authority for the purposes of the arbitration rules of UNCITRAL (should either party fail to appoint its arbitrator and/or if the arbitrators appointed by the Parties fail to appoint the presiding arbitrator within thirty (30) days) shall be the London Court of International Arbitration.

17.4 The presiding arbitrator shall not be of the same nationality as either Party.

17.5 The venue of arbitration shall be Singapore and English shall be the language of the arbitration proceedings.

17.6 The resulting arbitral award shall be final and binding without right of appeal, and judgement upon such award may be entered in any court having jurisdiction.

17.7 Each Party shall conduct all of its activities pursuant to this Agreement in compliance with all laws, rules, and regulations applicable to such Party.

17.8 The Parties hereby expressly exclude the application of laws of Myanmar to this Agreement. Furthermore, each Party shall not, and hereby waives any right to, approach the courts in Myanmar for interim protective relief before or during the pendency of

arbitration proceedings, or after the tribunal has made an award but before judgement on that award is given by a court of competent jurisdiction.

18. ANTI-CORRUPTION

18.1 Each Party hereby undertakes to the other that neither it nor its Associated Persons shall:

(a) engage in any activity, practice or conduct relating to the activities under this Agreement which would constitute a violation of, or an offence under the Anti-Corruption Laws; and

(b) pay, offer, promise or authorise the payment, directly or indirectly, of any monies or anything of value to any Government Official for the purpose of improperly influencing any act or decision of such official or to improperly induce any Government Official to use his or her influence with a government or instrumentality thereof, to obtain or retain business or direct business to any person in connection with the activities under this Agreement.

18.2 Each Party shall respond promptly, and in reasonable detail, to any notice from the other Party or its auditors pertaining to the above stated warranty representation and shall furnish documentary support for such response upon request from the other Party.

19. COUNTERPART

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes, provided neither Party shall be bound by the terms of this Agreement unless and until both Parties have executed a counterpart. For purposes of assembling all counterparts into one document, either Party is authorised to detach the signature page from one counterpart and, after signature thereof by the respective Party, attach each signed signature page to a counterpart.

20. ENTIRETY

20.1 This Agreement represents the entire understanding of and agreement between the Parties in relation to the matters dealt with herein and supersedes all previous proposals, undertakings and agreements by and between the Parties, whether oral or written, in relation thereto.

20.2 No promise, inducement, representation or agreement, other than as expressly set forth herein, has been made to or by the Parties.

20.3 If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, such provision or part shall, to that extent, be deemed not to form a part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

WITNESS the hand of the duly authorised representative of the Parties.

For and on behalf of

Reliance Industries Limited

RELIANCE INDUSTRIES LTD. Petroleum (E&P) NAVI MUMBAI

Name: Mr. Atul Laul

Title: President – Strategy & Business Development

Witness: Mr. Mahesh Sikaria

For and on behalf of

United National Resources Development Services Company Limited

Name: Mr. Kyaw Khine Thein

Title: Director

Witness: Mr. Zin Maung Lun

APPENDIX – I: MYANMAR OFFSHORE EXPLORATION BLOCKS

No.	Block	Area	Type of Contract
Offshore Shallow Water Blocks			
1	A-4	Rakhine Offshore Area	PSC
2	A-5	Rakhine Offshore Area	PSC
3	A-7	Rakhine Offshore Area	PSC
4	M-4	Moattama Offshore Area	PSC
5	M-7	Moattama Offshore Area	PSC
6	M-8	Moattama Offshore Area	PSC
7	M-15	Tanintharyi Offshore Area	PSC
8	M-16	Tanintharyi Offshore Area	PSC
9	M-17	Tanintharyi Offshore Area	PSC
10	M-18	Tanintharyi Offshore Area	PSC
11	YEB	Tanintharyi Offshore Area	PSC
Offshore Deep Water Blocks			
1	AD-2	Rakhine Offshore Area	PSC
2	AD-3	Rakhine Offshore Area	PSC
3	AD-4	Rakhine Offshore Area	PSC
4	AD-5	Rakhine Offshore Area	PSC
5	AD-9	Rakhine Offshore Area	PSC
6	AD-10	Rakhine Offshore Area	PSC
7	AD-11	Rakhine Offshore Area	PSC
8	AD-12	Rakhine Offshore Area	PSC
9	AD-13	Rakhine Offshore Area	PSC
10	AD-14	Rakhine Offshore Area	PSC
11	AD-15	Rakhine Offshore Area	PSC
12	AD-16	Rakhine Offshore Area	PSC
13	MD-1	Moattama Offshore Area	PSC
14	MD-2	Moattama Offshore Area	PSC
15	MD-3	Moattama Offshore Area	PSC
16	MD-4	Tanintharyi Offshore Area	PSC
17	MD-5	Tanintharyi Offshore Area	PSC
18	MD-6	Tanintharyi Offshore Area	PSC
19	YWB	Tanintharyi Offshore Area	PSC

APPENDIX – II: HEADS OF JOINT OPERATING AGREEMENT

Parties shall endeavor to execute a JOA no later than 30 days after relevant Contract becomes effective and agree that the following principles shall be suitably incorporated in the JOA:

1. RIL shall be the sole Operator of the venture under properly defined rights and obligations and Operator shall not be held solely responsible for any costs, liabilities, losses or obligations arising out of Operator's conduct of Petroleum Operations on behalf of the Operator and any such costs, liabilities or obligations shall be borne by the Parties in their respective Participating Interest ratios.

2. Upon RIL's written request, authorized representatives of both Parties shall meet for the purpose of reviewing the status of venture's operations. Operator shall be entitled to take all operational decisions relating to conduct of Petroleum Operations in the relevant Selected Block(s) for which Contract has been signed. If non-Operator wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. The Operator is obligated to represent the parties before the Government provided however that each non-operator shall upon Operator's written request be represented at such meetings provided that the Operator shall act as spokesperson.

4. RIL shall have the right to appoint all the CONTRACTOR's (as defined in the Contract) nominated members of the Management Committee (as defined in the Contract) under the Contract and RIL may request UNRD to join the management committee meetings as an observer.

5. At Operator's request, an Operating Committee comprising of representatives of each Party shall be formed and matters before the Operating Committee require the affirmative vote of the Parties having, in the aggregate, Participating Interests of at least Fifty One (51%) percent.

6. Except as otherwise agreed, Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

7. The Operator shall prepare the annual work programme and budgets for submission to MOGE in accordance with the provisions of the Contract and at its discretion provide the same to non-Operators for information purposes only.

8. Any Party shall have the right to withdraw from any relevant Contract and the JOA, by giving at least 90 days prior written notice and discharge of the minimum work obligations under the Contract and all obligations represented in the current work program and budget.

9. UNRD shall not assign either directly or indirectly, all or any part of its Participating Interest in this Agreement or in a Bid either by way of transfer of Participating Interest, sale of the shares of UNRD or its controlling entities, or otherwise, to any third party without prior written approval of RIL. RIL shall have a right of first refusal over UNRD's Participating Interest.

10. Applicable Law – English, excluding any conflicts of law rules.

11. Arbitration - UNCITRAL Rules. Venue: Singapore.

12. Parties shall ensure that upon State Participation in terms of Section 19 of MPSC, JOA is amended to incorporate the requirements of Annexure F of the MPSC.

13. Parties shall consider if the provisions of Clause 8 of this Agreement are required to be incorporated in the relevant JOAs or a separate agreement in which case Clause 8 shall cease to be in effect.

Accounting Procedue to JOA:

Operator shall be entitled to charge the Joint Account all costs relating directly to Joint Operations which shall include, without limitation:

(a) Payments under the PSC.

(b) Direct on-site full time and temporarily assigned personnel, including salaries and wages, benefits, customary allowances, and governmental assessments of Operator's employees directly engaged for the benefit of Joint Operations.

(c) Services performed by the Operator or the Operator's Affiliates (including technical, professional and management personnel not located within Myanmar). All charges relating to such services shall be contained in each annual budget, shall be subject to the approval of all parties and shall be in accordance with generally accepted international petroleum industry practices.

(d) The cost of consultants, contract services and utilities procured from the third parties.

(e) Relocation and Transportation expenses incurred in accordance with Operator's established policies.

(f) Material Purchases.

(g) Insurance Premiums (if obtained for the Joint Account).

(h) Local administration and field office costs.

(i) Unless covered under the Joint Account insurance policies, damages and losses to Joint Property.

(j) Warehouse handling.

(k) Overhead Charges – 4% of the annual capex.

(l) Material Acquisitions/Transfers and Inventories.

Condition A Material - valued at current new price

Condition B Material - valued at 75% of current new price

Condition C Material - valued at 50% of current new price

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR SHALLOW WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks	
1.	Contract Area	**Block - M17** Tanintharyi Offshore Area	
2.	Area of Block	14,227 Sq. Km	
3.	Water Depth	250 ft - 3000 ft	
4.	Type of Contract	**Production Sharing Contract (PSC)**	
5.	Preparation Period (EIA/SIA/EMP)	- **6 months** (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval.	**Min. Expenditure** = 100,000 US$
		{Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}	
6.	Data Fee	500,000 US$ (Payment within 30 days after commencement of the Study Period)	
7.	Study Period	- **12 months** - Study of existing G&G data and reprocessing where necessary	**Min. Expenditure** 1,000,000 US$
		{Contractor will have the option to back-off after 12 months Study Period}	
8.	Signature Bonus	10,000,000 US$ (Payment within 30 days after entering into the Exploration Period.)	
9.	Exploration Period (Minimum Work Commitment and Expenditure)	**- 3 years**	**Min. Expenditure**
		Year 1 - 2D Seismic API of 950 LKM. The Contractor has sole discretion to conduct this earlier in the Study (TEA) Period and get the same credited under Section 5.6 towards work commitment in Section 5.2 (b) to (g)	1,200,000 US$
		Year 2 - 3D Seismic API of 1,100 SQKM data	11,000,000 US$
		Year 3 - (A) Prospect evaluation and Drill 1 (one) well ("First Well")	21,800,000 US$
		(B) At Contractor's sole discretion, conduct prospect evaluation and drill a Second Well which is Contingent upon the post-well evaluation studies and results of First Well	21,800,000 US$
		Total (Includes cost of Second Well which is Contingent as given in (B) above)	55,800,000 US$
		{Contractor will have the option to back-off after 3 years Exploration Period}	
		1st Extension Period (2 years)	**Min. Expenditure**
		Year 4 - 3D Seismic API of 500 SQKM data	5,000,000 US$
		Year 5 - Prospect evaluation & Drill 1 (one) well	21,800,000 US$
		Total	26,800,000 US$
		{Contractor will have the option to back-off after 2 years 1st Extension Period}	
		2nd Extension Period (1 year)	**Min. Expenditure**
		Year 6 - Prospect evaluation & Drill 1 (one) well	21,800,000 US$
		{Contractor may enter into Production Period upon commercial discovery}	
10.	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.	
11.	Royalty	12.5% of Available Petroleum.	
12.	Cost Recovery	50% of all Available Petroleum for water depth 600 feet or less 60% of all Available Petroleum for water depth more than 600 feet	
13.	Profit Split (*Profit Petroleum Allocation*)	See below	

13. Profit Split (*Profit Petroleum Allocation*)

Crude Oil

Water Depth	*600 feet or less*		*more than 600 feet*	
BOPD	**MOGE(%)**	**CONT(%)**	**MOGE(%)**	**CONT(%)**
0 - 25,000	60	40	60	40
25,001 - 50,000	65	35	65	35
50,001 - 100,000	82	18	76	24
100,001 - 150,000	85	15	82	18
above 150,000	90	10	87.5	12.5

Natural Gas

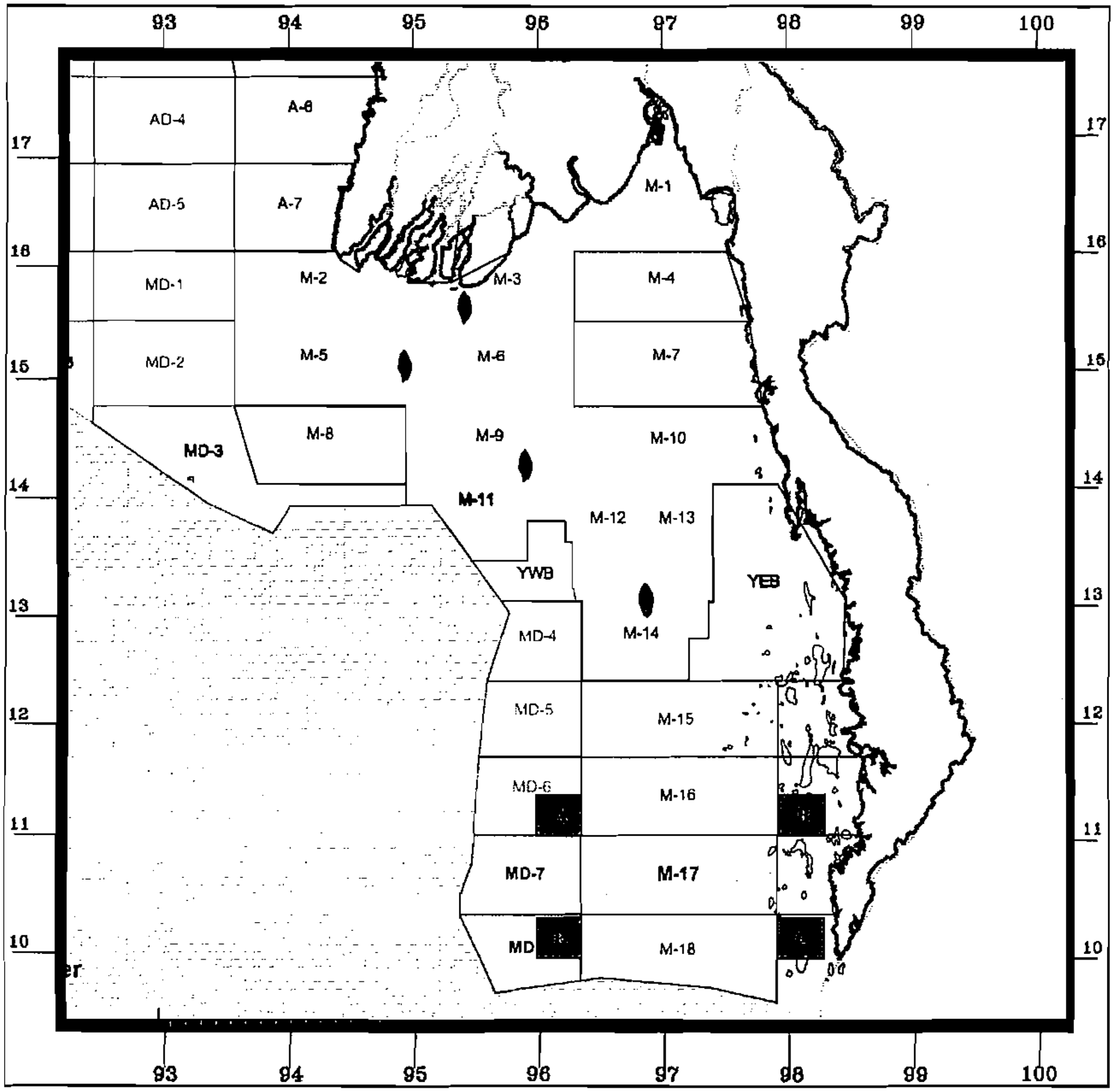
Water Depth	*600 feet or less*		*more than 600 feet*	
MMCFD	**MOGE(%)**	**CONT(%)**	**MOGE(%)**	**CONT(%)**
0 - 300	65	35	60	40
301 - 600	75	25	70	30
601 - 900	85	15	80	20
above 900	90	10	90	10

RIL/UNRD/M17

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR SHALLOW WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks
14.	Production Bonus	**Crude Oil** Upon approval of Development Plan = 1.00 MMUS$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS$ **Natural Gas** Upon approval of Development Plan = 1.00 MMUS$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS$ 600 MMCFD (for 90 consacutive days production) = 4.00 MMUS$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS$
15.	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.
16.	Training Fund	Exploration Period = 75,000 US$ per Year. Production Period = 125,000 US$ per Year.
17.	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Patroleum.
18.	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel of Oil Equivalent.
19.	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from tha Production.)
20.	Governing Law	Laws of the Republic of the Union of Myanmar.
21.	Arbitration	UNCITRAL Arbitration Rules.
22.	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:- - If the amount of Net Profit is up to 100 MMUS$ 40% - If the amount of Net Profit is between 100 MMUS$ and 150 MMUS$ 45% - If the amount of Net Profit is over 150 MMUS$ 50%
23.	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24.	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.

MAP OF CONTRACT AREA



COORDINATES OF BLOCK M-17

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	11° 00' 00"	96° 19' 00"
B	11° 00' 00"	98° 00' 00"
C	10° 19' 00"	98° 00' 00"
D	10° 19' 00"	96° 19' 00"
A	11° 00' 00"	96° 19' 00"

Area of Block "M-17" = 5,472 Sq. Miles.

နောက်ဆက်တွဲ(ဃ)

PRODUCTION SHARING CONTRACT

FOR

THE EXPLORATION AND PRODUCTION OF PETROLEUM

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

RELIANCE INDUSTRIES LIMITED

AND

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

FOR

BLOCK M-17

TANINTHARYI OFFSHORE AREA

REPUBLIC OF THE UNION OF MYANMAR

Dated: , 2015

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SECTION **PAGE**

PRODUCTION SHARING CONTRACT

FOR OFFSHORE PETROLEUM OPERATIONS

TANINTHARYI OFFSHORE BLOCK M-17

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

RELIANCE INDUSTRIES LIMITED

AND

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

This Contract entered into and delivered at Nay Pyi Taw, the Republic of the Union of Myanmar on the.............., 2014 by and between

MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "MOGE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, MYANMA OIL AND GAS ENTERPRISE of the one part,

and

RELIANCE INDUSTRIES LIMITED, a company incorporated under the laws of the Republic of India (hereinafter referred to as "RELIANCE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, RELIANCE INDUSTRIES LIMITED; and

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD., a company registered under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "UNRDC" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. ; of the other part

RELIANCE and **UNRDC** are hereinafter, together with their respective successors and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a "Contractor Party", and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by Contractor Party.)

MOGE and CONTRACTOR are collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH

WHEREAS, The Republic of the Union of Myanmar is the sole owner of all natural resources within her territory and offshore areas and has the right to develop, extract, exploit and utilize the natural resources in the interest of the people of all the national groups; and

WHEREAS, MOGE is an enterprise formed by the Government of the Republic of the Union of Myanmar and is concerned with exploration and production of "Petroleum"(as hereinafter defined) within the Republic of the Union of Myanmar both onshore and offshore areas; and

WHEREAS, MOGE has the exclusive right to carry out all operations in the Republic of the Union of Myanmar and throughout the area described in Annexure "A" and outlined on the map which is Annexure "B", both attached hereto and made a part hereof, which area is hereinafter referred to as the "Contract Area"; and

WHEREAS, CONTRACTOR is of sound financial standing and possesses technical competency and professional skill for carrying out exploration and development works and other "Petroleum Operations"(as hereinafter defined in accordance with good international petroleum industry practices); and

WHEREAS, each Party has the right, power and authority to enter into this Contract; and

WHEREAS, MOGE and CONTRACTOR mutually desire to enter into this Contract which is the Production Sharing Contract in relation to the "Contract Area" as hereinafter defined;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set out, it is agreed as follows;

SECTION 1

DEFINITIONS

In this Contract, words in the singular include the plural and vice versa, and except where the context otherwise requires the following terms shall have the meaning set out as follows:

1.1 "Accounting Procedure" means the procedures and reporting requirements set forth in Annexure "C".

1.2 "Additional Exploration Operations" mean Exploration Operations performed by CONTRACTOR beyond those required by the minimum work commitment provisions in this Contract or as the case may be.

1.3 "Affiliate" means any company, or other legal entity;

a) in which CONTRACTOR holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or

b) which holds directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote, or

c) in which at least fifty percent (50%) of the shares entitled to vote are owned directly or indirectly by a company, or any other legal entity, which owns directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote.

1.4 "Appraisal Period" means the period which CONTRACTOR deems necessary to determine whether a Discovery is a Commercial Discovery.

1.5 "Appraisal Programme" means a programme submitted by CONTRACTOR pursuant to Section 7.2, under which CONTRACTOR will evaluate and delineate a Discovery including the estimated list of equipments, vehicles, machineries, materials, accessories, etc… that would be used for appraisal works under this Contract.

1.6 "Associated Gas" means Natural Gas found in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.

1.7 "Barrel" means a quantity or unit of forty-two (42) U.S. gallons liquid measured at or corrected to a temperature of sixty degrees (60^{o}) Fahrenheit with normal atmospheric pressure at sea level.

1.8 "Budget" means an estimate of income and expenditures formulated in relation to a Work Programme.

1.9 "Calendar Year" means a period of twelve (12) consecutive months commencing with January 1st and ending with December 31st next following, according to the Gregorian calendar.

1.10 "Commencement of Commercial Production" means, in relation to each Development and Production Area, the date on which regular and continuous shipments of Crude Oil (excluding test production) commence or the date on which regular and continuous sales of Natural Gas commence or any combination of these commence from the Contract Area (excluding production for testing purposes).

1.11 "Commencement of the Operation Date" means the date of approval of the Myanmar Investment Commission on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) and such date will be informed by MOGE to CONTRACTOR.

1.12 "Commercial Discovery" means the Discovery in the Contract Area of an accumulation or accumulations of Petroleum which CONTRACTOR, after conducting appraisal operations to assess the quantity and quality of the Petroleum present, the place and the depth of its location, the estimated development and production expenditures, prices prevailing in the world market and other relevant technical and economic factors, decides it is commercial to develop and produce.

1.13 "Contract" means this Production Sharing Contract, together with the Annexures attached hereto.

1.14 "Contract Area" means;

a) on the Effective Date the offshore area as described in Annexure "A" and shown on the map in Annexure "B" and

b) there after the whole or any part of such offshore area in respect of which at any particular time, CONTRACTOR continues to have rights and obligations under this Contract.

1.15 "Contract Year" means a period of time normally of three hundred and sixty-five (365) consecutive days commencing from the Commencement of the Operation Date.

1.16 "Cost Petroleum" means Petroleum out of which CONTRACTOR may recover the costs and expenses of the Petroleum Operations pursuant to Section 9.4.

1.17 "Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

1.18 "Cubic Foot" means a quantity or unit of vapor saturated with Natural Gas contained in one (1) cubic foot of space at a temperature of sixty degrees (60^{0})

Fahrenheit and pressure of 14.735 psia (30 inches Hg).

1.19 "Delivery Point" means (a) the agreed point of delivery within the relevant Development and Production Area for Petroleum delivered to MOGE as Royalty pursuant to Section 10 and Crude Oil and Natural Gas made available for the Myanmar domestic market pursuant to Section 14.1 and Section 14.4, (b) the point to be determined in accordance with Section 13 for Natural Gas, and (c) the point of export, Myanmar, for Petroleum made available for export sale, as the case may be.

1.20 "Development and Production Area" means the area or areas established by CONTRACTOR and designated as such or enlarged, as the case may be, in accordance with Section 8.

1.21 "Development and Production Operations"means all operations including but not limited to administrative and other related activities, within or outside the Contract Area, which are carried out in accordance with the Development Plan for a Development and Production Area in connection with the extraction, separation, processing, gathering, transportation, storage, treatment and disposition of Petroleum from such Development and Production Area.

1.22 "Development and Production Period" means, in relation to each Development and Production Area, the period specified in Section 3.6.

1.23 "Development Plan" means a plan for development of a Commercial Discovery prepared by CONTRACTOR and approved in accordance with Sections 8.5 or 8.6, including any amendments thereto.

1.24 "Discovery" means a discovery during Petroleum Operations of an accumulation or accumulations of Petroleum which in the opinion of CONTRACTOR may be capable of being produced and sold in commercial quantities.

1.25 "Discovery Area" means an area or areas in which CONTRACTOR may establish in accordance with Section 8.

1.26 "Drawback Basis" means all rented or leased assets which are imported into Myanmar, by CONTRACTOR or its subcontractors, with the approval of MOGE, for Petroleum Operations under the PSC's, at the time of completion, which are to be exported out of Myanmar. Assets imported on Drawback Basis are those which are not foreign direct investment and / or Myanmar citizens investment.

1.27 "Effective Date" means the date of signing of this Contract by the Parties.

1.28 "Exploration Operations" mean operations, within or outside the Contract Area, which are conducted under this Contract during the Exploration Period or in connection with the exploration for Petroleum including, without limitation, geological, geophysical and other technical surveys and studies, the review, processing and analysis of data, the drilling of exploratory and appraisal wells, operations and activities carried out to determine whether a Discovery constitutes a

Commercial Discovery, associated planning, design, administrative, engineering, construction and maintenance operations, and all other related operations and activities referred to in Annexure "C" or otherwise contemplated under the provisions of this Contract.

1.29 "Exploration Period" means the period specified in Sections 3.4, including any extensions to the Exploration Period granted under the terms of this Contract.

1.30 "Financial Year" means the financial year of the Government of the Republic of the Union of Myanmar and extending for a period of twelve (12) months commencing with 1st April and ending with 31st March next following.

1.31 "Government" means the government of the Republic of the Union of Myanmar.

1.32 "Investment Basis" means all assets which are imported into Myanmar by CONTRACTOR as an investment in accordance with the stipulations of the Contract for Petroleum Operations hereunder. Assets imported on Investment Basis are those which are allowed to make foreign direct investment and / or Myanmar citizens investment.

1.33 "Management Committee" means the committee established by that name pursuant to Section 18.

1.34 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

1.35 "Net Profit" means the amount of the proceeds of the sale or transfer of the interests of the CONTRACTOR under this Contract or the shares in the Company, registered under Section 5.1, less Petroleum Costs, which are not recovered by Cost Recovery under Article 2 in Annexure "C" until the time of transaction, Data Fee and bonuses under Section 11, and interests under Section 9.11.

1.36 "Petroleum Costs" mean all of the costs and expenditures borne and incurred by CONTRACTOR in connection with or related to the conduct of Petroleum Operations pursuant to this Contract, and determined and accounted for in accordance with Annexure "C".

1.37 "Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other hydrocarbons produced in association therewith.

1.38 "Petroleum Operations" mean all operations, within or outside the Contract Area, under this Contract, including, without limitation, Study and Exploration Operations, Development and Production Operations, or any combination of such operations, transportation, storage, marketing, all associated planning, design, administrative, engineering, construction and maintenance operations, and any or all other incidental operations or activities, as may be necessary under the provisions of this Contract.

1.39 "Preparation Period" means a period of six (6) months starting from signing date of this Contract during which Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) shall be conducted by the CONTRACTOR in respect of the Contract Area.

1.40 "Quarter" means a period of three (3) months starting with the first day of January, April, July or October of each Calendar Year.

1.41 "Study Period" means a period of time starting from the Commencement of the Operation Date, as described in Section 3.3, during which a study will be conducted as described in Section 6, in respect of, inter alia, data and information supplied by MOGE pursuant to Section 2.4.

1.42 "U.S. Dollar" or "US$" means the lawful currency of the United States of America.

1.43 "Value Added Petroleum Downstream Products" means derivatives produced from, including but not limited to, Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Methanol and any other products utilizing Natural Gas and/or Crude Oil as feedstock.

1.44 "Work Programme" means a work programme mutually agreed by MOGE and CONTRACTOR itemizing the Petroleum Operations to be conducted within or with respect to the Contract Area, Discovery Area or Development and Production Area and time schedule thereof, including the estimated list of the equipments, vehicles, machineries, materials, accessories, etc... that would be used in the Petroleum Operations under this Contract.

1.45 "Foreign Investment Law" means the Foreign Investment Law of the Republic of the Union of Myanmar (the Pyi Htaung Su Hlut Taw Law No. 21/2012 dated 2nd November 2012) and related rules and notification.

SECTION 2

SCOPE

2.1 This Contract is a Production Sharing Contract. In accordance with the provisions herein contained, MOGE shall have and be responsible for the management of Petroleum Operations contemplated hereunder.

2.2 CONTRACTOR shall be responsible to MOGE for the execution of the Petroleum Operations in accordance with the provisions of this Contract, and is hereby appointed and constituted the exclusive company (operator) to conduct Petroleum Operations in the Contract Area. CONTRACTOR shall provide all the financial and technical assistance required for the Petroleum Operations. CONTRACTOR shall carry the risk of Petroleum Costs required in carrying out the Petroleum Operations and shall therefore have an economic interest in the development of the Petroleum in the Contract Area. Such costs shall be included in Petroleum Costs recoverable as provided in Section 9.4. The interest expenses incurred by the CONTRACTOR to finance its Exploration Operations hereunder shall not be cost recoverable from Cost Petroleum.

2.3 During the term of this Contract the total production achieved in the conduct of such Petroleum Operations in each Quarter shall be divided in accordance with the provisions of Section 9.

2.4 To assist CONTRACTOR in performing work hereunder, MOGE shall as soon as practicable supply to CONTRACTOR all data and information relating to the Contract Area in MOGE's possession or under the control of MOGE.

2.5 CONTRACTOR shall send back to MOGE all original data and information relating to Section 2.4 above and also in digitize format no later than six (6) months after receipt of such data and information by CONTRACTOR.

2.6 CONTRACTOR shall within thirty (30) days after the Commencement of the Operation Date, make payment to MOGE the sum specified in Section 11.1 as Data Fee.

2.7 Data Fee paid in accordance with Section 2.6, shall be tax deductible, but shall not be recoverable from Cost Petroleum under Section 9.

SECTION 3

TERM

3.1 Unless sooner terminated in accordance with the terms hereof, this Contract shall remain in effect during the Preparation Period, Study Period, Exploration Period and any Development and Production Period.

3.2 The Preparation Period shall begin on the Effective Date and shall continue for a period of six (6) months and may be extended to a certain period by sole discretion of MOGE based on issuance of Myanmar Investment Commission's approval on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) reports.

3.3 The Study (Technical Evaluation and Assessment –TEA) Period shall commence from the Commencement of the Operation Date of this Contract and shall have duration of twelve (12) months.

3.4 If at the end of the Study Period, CONTRACTOR, after fully disclosing the results of the study to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE given not later than fifteen (15) days before the end of the Study Period. Thereafter, CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, Exploration Period shall begin immediately following the expiration of Study Period and shall continue for three (3) consecutive years ("Initial Exploration Period"). CONTRACTOR may extend, at its sole discretion, the Exploration Period for three (3) years, consisting of two year as the ("First Extension Year") and another one year as the ("Second Extension Year"), provided that, it shall have fulfilled its obligations hereunder for the then current period. CONTRACTOR shall notify MOGE thirty (30) days prior to the end of the Initial Exploration Period or the then current extension period that it intends to enter into any such extension to the Exploration Period.

3.5 If seismic or drilling operations (including testing) are in progress at the end of the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended until sixty (60) days after completion of such operations. If CONTRACTOR shall have made a Discovery during the Initial Exploration Period, or any extension of the Exploration Period, the current period shall be automatically extended as to the Discovery Area designated pursuant to Section 7 for such additional period as shall be sufficient for CONTRACTOR in accordance with the terms of this Contract to appraise the Discovery and declare a Commercial Discovery and designate a Development and Production Area.

3.6 A Development and Production Period shall commence with respect to each Development and Production Area on the date that CONTRACTOR gives

notice of Commercial Discovery relating to such Development and Production Area and shall continue until the expiration of twenty (20) years from the date of completion of development in accordance with the Development Plan for such Development and Production Area or the expiration of the sale(s) contract(s) relating to the sale and purchase of Petroleum produced hereunder whichever is longer.

3.7 Without limiting the rights of the Parties under Section 17 and 20, in the event that the Parties agree that CONTRACTOR is prevented or impeded from carrying on Petroleum Operations or gaining access to the Contract Area for reasons relating to the protection of personnel, subcontractors, property, or the environment, CONTRACTOR's obligations hereunder shall be suspended from the time of the commencement of such impairment until the impairment has been alleviated. As soon as practicable thereafter, the Parties shall meet and agree upon a period of time which shall be added to the Study Period and/or Exploration Period and/or any Development and Production Period, which period of time shall be equivalent to the amount of time necessary to restore Petroleum Operations to the status which they occupied at the time of the impairment.

If the impairment of Petroleum Operations described above should continue for a period of time exceeding two (2) years, CONTRACTOR shall have the right to elect in its sole discretion to terminate this Contract and CONTRACTOR shall be discharged from all further obligations under this Contract, including specifically without limitation the obligation to pay any deficiency under Section 5.3 and perform the minimum work commitments under Section 5.2 below.

SECTION 4

RELINQUISHMENTS

4.1 Not later than at the end of the Exploration Period (including any extension), all of the Contract Area other than Discovery Areas and Development and Production Areas shall be relinquished. Notwithstanding the foregoing, if CONTRACTOR elects to enter into the Second Extension Year of the Exploration Period as described in Section 3.4, CONTRACTOR shall select from the Contract Area an area or areas totaling not more than 75% of the Contract Area (excluding any Discovery Areas and Development and Production Areas) in which to carry out further Petroleum Operations. The remainder of the Contract Area, other than Discovery Areas and Development and Production Areas, shall be relinquished at the time of such selection.

4.2 CONTRACTOR may at any time relinquish voluntarily its rights hereunder to conduct Petroleum Operations in all or any part of the Contract Area. Any such voluntary relinquishment of less than all the Contract Area shall be credited toward any subsequent relinquishment obligations hereunder.

4.3 No relinquishment shall relieve CONTRACTOR from its obligation for the accrued but unfulfilled minimum work commitments specified in Section 5.3 of this Contract.

4.4 At least thirty (30) days in advance of the date of the relinquishment under Sections 4.1 and 4.2, CONTRACTOR shall notify MOGE of the portions of the Contract Area to be relinquished. In connection with any relinquishment of less than all of the Contract Area, the CONTRACTOR and MOGE shall consult with each other in order to ensure that each individual portion of the Contract Area relinquished shall, so far as reasonably possible, be of sufficient size and shape to enable Petroleum Operations to be conducted thereon.

SECTION 5

MINIMUM WORK COMMITMENT

5.1 Subject to the provisions hereof, CONTRACTOR shall commence Petroleum Operations promptly, after adoption of the initial Work Programme and Budget pursuant to Section 6.2 and the issuance of all permits, clearances and licenses necessary for the commencement for field operations. As soon as practicable following the Effective Date, CONTRACTOR shall file such documents as shall be required to effect registration as a foreign corporation authorized to do business in Myanmar.

5.2 Subject to the provisions of this contract, the CONTRACTOR shall perform the following Exploration Operations.

(a) During the Study (TEA) Period, to conduct study of existing Geological and Geophysical data and reprocessing where necessary, all at an estimated cost of U.S. Dollars One Million (US$ 1,000,000).

(b) If CONTRACTOR elects to enter into the Initial Exploration Period for three (3) years, during Year 1of the Initial Exploration Period, to conduct 2D seismic acquisition, processing and interpretation of 950 line kms, all at an estimated cost of U.S. Dollars One Million and Two Hundred Thousand (US$ 1,200,000).

(c) During Year 2 of the Initial Exploration Period, to conduct 3D seismic acquisition, processing and interpretation of 1,100 square kms, all at an estimated cost of U.S. Dollars Eleven Million (US$ 11,000,000).

(d) During Year 3 of the Initial Exploration Period, to conduct prospect evaluation and drill one (1) well ("First Well"), all at an estimated cost of U.S. Dollars Twenty One Million and Eight Hundred Thousand (US$ 21,800,000); and at CONTRACTOR's sole discretion, conduct prospect evaluation and drill a Second Well which is contingent upon the post-well evaluation studies and results of First Well, at an estimated cost of U.S. Dollars Twenty One Million and Eight Hundred Thousand (US$ 21,800,000).

(e) If CONTRACTOR elects to enter into the First Extension Period of the Exploration Period for two (2) years, during Year 1 of the First Extension Period, to conduct 3D seismic acquisition, processing and interpretation of 500 square kms, all at an estimated cost of U.S. Dollars Five Million (US$ 5,000,000).

(f) During Year 2 of the First Extension Period, to conduct prospect evaluation and drill one (1) well ("Second Well"), all at an estimated cost of U.S. Dollars Twenty One Million and Eight Hundred Thousand (US$ 21,800,000).

(g) If CONTRACTOR elects to enter into the Second Extension Period of the Exploration Period for one (1) year, to conduct prospect evaluation and drill one (1) well, all at an estimated cost of U.S. Dollars Twenty One Million and Eight Hundred Thousand (US$ 21,800,000).

The minimum work commitments specified in Section 5.2(b) to (g), respectively, shall only apply to the extent that CONTRACTOR elects to exercise its option to proceed into or extend, as the case may be, the Exploration Period as provided in Section 3.4.

5.3 If the CONTRACTOR fails to fulfill the minimum work commitment described in Section 5.2(a) to (g) for Study and Exploration Operations:

(a) during the Study (TEA) Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (a) and the amount actually expended on study operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the study operations set forth in Section 5.2 (a) during the Study Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2 (a) whether or not such amount was actually expended, or

(b) during the Initial Exploration Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (b) to (d) and the amount actually expended on Exploration Operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(b) to (d) during the Initial Exploration Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2(b) to (d) whether or not such amount was actually expended, or

(c) during extension of the Exploration Period thereafter, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2(e) and (g) attributable to such extension and the amount actually expended on or accrued for Exploration Operations during such extension provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(e) and (g) attributable to such extension of the Exploration Period it shall be deemed to have fulfilled the work commitments set forth in Section 5.2(e) and (g) for such extension, whether or not such amount was actually expended.

Notwithstanding anything in this Contract to the contrary, payment of such amount, if any, by CONTRACTOR in accordance with this Section 5.3, shall be MOGE's exclusive remedy for CONTRACTOR's failure to fulfill its minimum work commitment.

5.4 Guarantees

5.4.1 On the Effective Date, CONTRACTOR shall provide, in the form shown in Annexure "D" a Parent Company Guarantee as well as within thirty (30) days after entering into Study (TEA) Period provide a Performance Bank Guarantee issued by corresponding bank of Myanma Foreign Trade Bank in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (a). If CONTRACTOR enters into the Initial Exploration Period it shall, provide similar Guarantees in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (b) to (d). If CONTRACTOR enters into any extension of the Exploration Period it shall, subject to Section 5.5, provide similar Guarantees in respect of the minimum expenditure commitment of the relevant extension period.

5.4.2 The CONTRACTOR shall furnish the Performance Bank Guarantee to MOGE in the amount equal to ten (10) percent of the aggregate value of its minimum expenditure commitment of Study (TEA) Period under Section 5.2 (a), in the event of entering into the Initial Exploration Period under Section 5.2 (b) to (d) and any extension of Exploration Period for the respective extension, same percentage of Performance Bank Guarantee shall be applicable; on condition that such Performance Bank Guarantee shall be provided within thirty (30) days after entering into such extension.

The Proceeds of Performance Bank Guarantee shall be payable to MOGE as compensation for any failure of CONTRACTOR's minimum work commitment under this Section 5.

Subject to the above clauses under Section 5.4.2, the Performance Bank Guarantee will be discharged by MOGE and return to CONTRACTOR not later than twenty (20) days following the date of completion of the respective period.

5.5 In the event the CONTRACTOR fails to perform the Exploration Operations specified in Section 5.2(b) to (d) during the Initial Exploration Period but desires to enter into the extension of the Exploration Period and has carried out Petroleum Operations with diligence, MOGE shall permit the CONTRACTOR to perform the Exploration Operations required during a specified extension in any subsequent extension of the Exploration Period.

5.6 If CONTRACTOR performs Exploration Operations beyond those required by Section 5.2(b) to (g) during the Initial Exploration Period or during the extension of the Exploration Period, the Additional Exploration Operations performed shall be credited toward CONTRACTOR's minimum work commitment obligations for the succeeding extension(s) of the Exploration Period.

SECTION 6

WORK PROGRAMMES AND BUDGETS

6.1 Unless otherwise provided herein, CONTRACTOR shall conduct Petroleum Operations in accordance with approved Work Programmes and Budgets and shall commence Petroleum Operations hereunder not later than three (3) months after the Commencement of the Operation Date.

6.2 Within sixty (60) days after the Commencement of the Operation Date, CONTRACTOR shall prepare and submit to MOGE for approval a Work Programme setting forth the Petroleum Operations which CONTRACTOR proposes to conduct during the first Contract Year and a Budget with respect thereto.

6.3 At least ninety (90) days before the end of the first Contract Year and every Contract Year thereafter, CONTRACTOR shall prepare and submit to MOGE for approval a proposed Work Programme and Budget for the next succeeding Contract Year.

6.4 If MOGE does not propose revisions to said Work Programme and Budget within such thirty (30) days period, the Work Programme and Budget proposed by CONTRACTOR shall be deemed to have been approved.

6.5 If MOGE requests any changes to the said Work Programme and Budget within such thirty (30) days provided in Section 6.4, then CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Work Programme and Budget. Revision to the Work Programme and Budget, agreed within a further period of thirty (30) days shall be incorporated in a revised Work Programme and Budget which shall then be deemed approved and adopted.

6.6 It is recognized by the Parties that the details of a Work Programme may require changes in the light of existing circumstances and nothing herein contained shall limit the right of the CONTRACTOR to make such changes with written approval of MOGE, provided they do not change the general objective of the Work Programme, nor increase the expenditure in the approved Budget.

6.7 It is further recognized that in the event of emergency or extraordinary circumstances requiring immediate action either Party may take all actions it deems proper or advisable to protect their interests and those of their respective employees and any costs so incurred shall be included in the Petroleum Costs.

6.8 MOGE agrees that the approval of a proposed Work Programme and Budget will not be unreasonably withheld and shall be approved if the Work Programme is consistent with generally accepted international petroleum industry practices.

6.9 The minimum Work Programme and Budget estimated for Study and each Exploration Periods shall be set forth by the Contractor as follows subject to provisions of Section 5:

Contract Period	**Estimated Expenditure**	**Work Programme**
Study (TEA) Period (Twelve months)	US$ 1,000,000	To conduct study of existing geological and geophysical data and reprocessing where necessary.
Initial Exploration Period (Year 1)	US$ 1,200,000	To conduct 2D seismic acquisition, processing and interpretation of 950 lkms.
Initial Exploration Period (Year 2)	US$ 11,000,000	To conduct 3D seismic acquisition, processing and interpretation of 1,100 sq.km.
Initial Exploration Period (Year 3)	(A) US$ 21,800,000 (B) US$ 21,800,000	To conduct ;- (A) Prospect evaluation and drill one (1) well ("First Well"). (B) At Contractor's sole discretion, conduct prospect evaluation and drill a Second Well which is contingent upon the post-well evaluation studies and results of First Well.
First Extension Period (Year 1)	US$ 5,000,000	To conduct 3D seismic acquisition, processing and interpretation of 500 sq.km.
First Extension Period (Year 2)	US$ 21,800,000	To conduct prospect evaluation and drill one (1) well.
Second Extension Period (1 Year)	US$ 21,800,000	To conduct prospect evaluation and drill one (1) well.
TOTAL	**US$ 105,400,000 (Includes cost of Second Well which is contingent as given in (B) above)**	

SECTION 7

DISCOVERY AND APPRAISAL

7.1 The CONTRACTOR shall notify MOGE not later than thirty (30) days after any Discovery of Petroleum within the Contract Area. This notice shall summarize all available details of the Discovery and particulars of any additional testing programme to be undertaken and a map showing an outline of the boundaries of an area comprised of the portion of the Contract Area believed by CONTRACTOR to contain the Discovery.

7.2 If the CONTRACTOR considers that a Discovery merits appraisal, the CONTRACTOR shall, subject to Section 13 for Natural Gas, submit to the MOGE as soon as is practicable after completion of the exploration well in question a detailed Appraisal Programme and Budget to evaluate whether the Discovery is a Commercial Discovery.

7.3 If MOGE considers that an Appraisal Programme for a Discovery Area is merited, according to generally accepted international petroleum industry practices, MOGE may request that CONTRACTOR undertake such an Appraisal Programme, provided however that the CONTRACTOR may give reasons, also according to generally accepted international petroleum industry practices, as to why said Appraisal Programme should not be performed or should be deferred and the period of deferment.

7.4 The Appraisal Programme and Budget submitted by the CONTRACTOR to MOGE under Section 7.2 shall describe the Discovery Area, and the location, nature and estimated size of the Discovery and a designation of the area to be included in the evaluation. Once designated, a Discovery Area shall extend to all depths within its lateral boundaries, except as may be limited by Section 8. The Appraisal Programme shall also include a plan of all drilling, testing and evaluation to be conducted in the Discovery Area and all technical and economic studies related to recovery, treatment and transportation and delivery of Petroleum from Discovery Area.

7.5 If MOGE requests any changes to the Appraisal Programme and Budget for any Discovery Area, then MOGE shall so notify the CONTRACTOR in writing within fifteen (15) days of receipt thereof and the CONTRACTOR and MOGE shall meet within fifteen (15) days after receipt by the CONTRACTOR of MOGE's written notification as to the requested changes to endeavor to agree on a revised Appraisal Programme and Budget. The Appraisal Programme and Budget approved and adopted shall be CONTRACTOR's proposal as modified by agreed changes adopted thirty (30) days after receipt by the CONTRACTOR of MOGE's written notification of requested changes. If no changes are requested by MOGE, then CONTRACTOR's Appraisal Programme and Budget shall be deemed approved. The Parties recognize that the details of the Appraisal Programme may require modification as the result of changing circumstances and in that event, CONTRACTOR may make changes consistent with those set forth in this Section 7.

7.6 After adoption of the Appraisal Programme and Budget, the CONTRACTOR shall diligently continue to evaluate the Discovery in accordance with such programme without undue interruptions.

7.7 Within ninety (90) days after the evaluation is completed, but in any event prior to the expiration of the Exploration Period, or extension thereof pursuant to Section 3.4 or Section 3.5, the CONTRACTOR shall subject to Section 13, for Natural Gas, notify and report to MOGE whether the Discovery Area contains a Commercial Discovery. Such report shall include all relevant technical and economic data relating thereto.

7.8 For the purposes of this Section 7, the CONTRACTOR shall make a determination as to whether a Discovery is a Commercial Discovery on the basis of whether that Discovery can be produced commercially after consideration of pertinent operating and financial data collected during the performance of the Appraisal Programme and otherwise, including but not limited to Crude Oil and / or Natural Gas recoverable reserves, sustainable production levels and other relevant technical and economic factors, market availability, the basic Natural Gas pricing principles prevailing internationally, taking in consideration such factors as market, quality and quantity of the Natural Gas according to generally accepted internationally petroleum industry practices and the applicable laws of Myanmar and the provisions of this Contract.

SECTION 8

DEVELOPMENT AND PRODUCTION

8.1 At any time prior to the expiration of the Exploration Period, CONTRACTOR may notify MOGE in writing that CONTRACTOR has made a Commercial Discovery and furnish a map describing an area believed by CONTRACTOR to contain the Commercial Discovery ("Discovery Area"). If the CONTRACTOR reports that a Discovery is a Commercial Discovery under Section 7.7, a Development Plan shall be prepared by the CONTRACTOR and submitted to the MOGE as soon as is practicable after the completion of the Appraisal Work Programme.

8.2 The Development Plan shall be prepared on the basis of sound engineering and economic principles in accordance with generally accepted international petroleum industry practices and shall be designed to ensure that the Petroleum deposits do not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure and shall adopt the optimum economic well spacing appropriate for the development of those Petroleum deposits.

8.3 The Development Plan shall contain:

a) Details and the extent of the proposed Development and Production Area relating to the Commercial Discovery, which area shall correspond to the geographical extension of the Commercial Discovery plus a reasonable margin, and shall be designated as the Development and Production Area for the Commercial Discovery concerned. Once designated, a Development and Production Area shall extend to all depths within lateral boundaries.

b) Proposals relating to the spacing, drilling and completion of wells, the production and storage installations and the transportation and delivery facilities required for the production, storage and transportation of Petroleum within and outside of the Contract Area. In the event that pipeline and/or other transportation facilities for the transportation and delivery of Petroleum outside the Development and Production Area are contemplated by the CONTRACTOR, the Development Plan may provide:

i) For financing and construction of the pipeline and/or other transportation facilities.

ii) For the payment of transportation tariffs by the users of the facilities which are based upon the costs of financing, constructing, operating and maintaining the pipeline and / or other transportation facilities, including depreciation thereof, any applicable taxes, and a reasonable return on investment.

iii) For the ownership, financing and construction of pipeline and/or transportation facilities under a separate contract between the Parties, and in the event of such a proposal, the ownership, financing and construction of such pipeline and / or transportation facilities under such separate contract shall be as mutually agreed. The execution of a separate contract by the Parties for the ownership, financing and construction of pipeline and / or transportation facilities outside the Development and Production Area shall not amend, abridge, limit or otherwise modify the Parties' respective rights and obligations under this Contract, unless otherwise expressly agreed.

c) Proposals relating to necessary infrastructure investments and employment of Myanmar nationals, and use of Myanmar materials, products and services shall be made in accordance with Section 17.2 herein.

d) A production forecast and an estimate of the investment and expenses involved.

e) An estimate of the time required to complete each phase of the Development Plan.

8.4 MOGE may require the CONTRACTOR to provide within thirty (30) days of receipt of the Development Plan such further information as is readily available and as MOGE may reasonably need to evaluate the Development Plan for any Development and Production Area.

8.5 If MOGE does not request in writing any changes to the Development Plan within ninety (90) days after receipt thereof, the plan shall be deemed approved and adopted by MOGE.

8.6 If MOGE requests any changes to the Development Plan within such ninety (90) days provided in Section 8.5, then the CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Development Plan. Revision to the Development Plan, agreed within a further period of ninety (90) days shall be incorporated in a revised plan which shall then be deemed approved and adopted.

8.7 After the Development Plan has been adopted, the CONTRACTOR shall submit to MOGE for discussion ninety (90) days before the end of each subsequent Financial Year a detailed statement of the Development Work Programme and Budget for such subsequent Financial Year, and, for the first full Financial Year and the portion of the Calendar Year preceding the first full Financial Year, a detailed statement of the Development Work Programme and Budget thereof shall be submitted within ninety (90) days after the date of adoption of the Development Plan under Section 8.5. Each such annual detailed statement of the Development Work Programme and Budget thereof shall be consistent with the Development Plan adopted under Section 8.5 or as revised pursuant to Sections 8.6 and 8.8.

8.8 The CONTRACTOR may at any time submit to MOGE revisions to any Development Plan or Development Work Programme and Budget. These revisions shall be consistent with the provisions of Section 8.2 and shall be subject to the approval procedure set forth in Sections 8.5 and 8.6.

8.9 The CONTRACTOR shall commence Development and Production Operations not later than three (3) months after the date of adoption of the Development Plan under Section 8.5 or Section 8.6.

8.10 Where MOGE and the CONTRACTOR agree that a mutual economic benefit can be achieved by constructing and operating common facilities (including, but not limited to, offshore production and processing structures, pipelines and other transportation, communication and storage facilities and value added downstream plants), the CONTRACTOR shall use its reasonable efforts to reach agreement with other producers and MOGE on the construction and operation of such common facilities, investment recovery and charges to be paid.

8.11 If, subsequent to the designation of a Development and Production Area, the extent of the area encompassing the Commercial Discovery or another such area over or underlying it is reasonably expected to be greater than the designation in the Development Plan under Section 8.3, the Development Area shall be enlarged accordingly, provided that the area covered shall be entirely within the original Contract Area designated in Section 1.14 (a) or, otherwise, not being yet awarded to any person other than MOGE.

SECTION 9

COST RECOVERY AND PROFIT PETROLEUM ALLOCATION

9.1 Subject to the provisions of Section 8.3 (b) referring to the financing and construction of the pipeline and/or other transportation facilities, CONTRACTOR, including MOGE pursuant to Section 19, shall provide all funds required to conduct Petroleum Operations under this Contract and may recover its costs and expenses only out of Cost Petroleum in the manner and to the extent permitted under Section 9.4. CONTRACTOR shall have the right to use free of charge Petroleum produced from the Contract Area to the extent it considers necessary for Petroleum Operations under this Contract.

9.2 Petroleum produced and saved and not used in Petroleum Operations (hereinafter referred to as "Available Petroleum" or "Available Crude Oil" or "Available Natural Gas" as may be applicable) shall be measured at the Delivery Point and allocated as set forth in Section 9.7.

9.3 CONTRACTOR may take such portion of Available Petroleum from the Contract Area as is necessary to discharge CONTRACTOR's obligations to pay the Royalty specified in Section 10.

9.4 CONTRACTOR shall recover all Petroleum Costs in accordance with Annexure "C" in respect of all Petroleum Operations hereunder to the extent of fifty percent (50%) per Quarter of all Available Petroleum from the Contract Area, provided, however, that in the event a Development and Production Area contains within its boundaries any well, equipment or facilities at a location (on or below the water surface or seabed) the water depth of which is more than 600 feet, then Petroleum Costs in respect of all Petroleum Operations in such Development and Production Area shall be recovered to the extent of sixty percent (60%) per Quarter of all Available Petroleum from such Development and Production Area and provided further, that (a) all costs and expenses of Development and Production Operations (inclusive of pipeline cost to move Crude Oil and / or Natural Gas to the Delivery Point for sale or transfer of ownership) in respect of any Development and Production Area shall be recoverable from Available Petroleum produced from any Development and Production Area, and (b) that all costs and expenses of Exploration Operations carried out in the Contract Area shall be recoverable from Available Petroleum produced from any Development and Production Area. Such Petroleum Costs shall be recovered out of Cost Petroleum in the later part of the Quarter in which such expenditures are incurred or in the Quarter in which Commencement of Commercial Production first occurs within the Contract Area.

9.5 To the extent that costs or expenses recoverable in a Quarter under Section 9.4 exceed the value of all Cost Petroleum from the Contract Area for such Quarter, the excess shall be carried forward for recovery in the next succeeding Quarter thereafter until fully recovered, but in no case after termination of this Contract.

9.6 The Petroleum valuation provisions of Section 12 shall be used for determining the value and quantity of Cost Petroleum by CONTRACTOR according to the incremental scale of Sections 9.4 and 9.5, based on average daily production over the Quarter from the relevant Development and Production Area.

9.7 With respect to each Development and Production Area, Available Petroleum not taken for purpose of payment of the Royalty under Section 10 nor taken as Cost Petroleum, as described in Sections 9.4 and 9.5, shall be "Profit Petroleum" in a Quarter and shall be allocated between MOGE and CONTRACTOR according to the following incremental scale, based on average daily production over the Quarter from the relevant Development and Production Area.

a) Available ***Crude Oil*** for water depths of 600 feet or less:

Barrels per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	82	18
100,001 – 150,000	85	15
> 150,000	90	10

b) Available ***Natural Gas*** for water depths of 600 feet or less:

Million Cubic Feet per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0– 300	65	35
301 – 600	75	25
601 – 900	85	15
> 900	90	10

c) Available ***Crude Oil*** for water depths more than 600 feet:

Barrels per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	76	24
100,001 – 150,000	82	18
> 150,000	87.5	12.5

d) Available ***Natural Gas*** for water depths more than 600 feet:

Million Cubic Feet per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 300	60	40
301 – 600	70	30
601– 900	80	20
>900	90	10

9.8 a) Subject to its obligations under Section 14, CONTRACTOR shall receive for each Quarter at the Delivery Point and, may separately dispose of, Crude Oil to which it is entitled pursuant to Section 9.4 plus its share in Profit Petroleum as stipulated in Section 9.7. Title and risk of loss shall pass to the buyer/recipient at such Delivery Point.

b) Natural Gas will be disposed of pursuant to the provisions of Section 13 and Section 14.

c) Each Party shall be responsible for the costs, incurred in disposing of its entitlement of Petroleum beyond the Delivery Point.

9.9 CONTRACTOR shall conduct a review of production programme prior to the Commencement of Commercial Production from any Development and Production Area and shall establish production at the maximum efficient rate needed to achieve the maximum ultimate economic recovery of Petroleum from that Development and Production Area in accordance with generally accepted standards of the international petroleum industry.

9.10 At least one hundred and eighty (180) days prior to Commencement of Commercial Production from a Development and Production Area, MOGE and CONTRACTOR shall agree on a procedure for lifting of their respective entitlements of Crude Oil, such procedure to contain reasonable provisions for under lift and over lift and for each Party to have the right to accumulate and

lift economic sized cargoes.

9.11 The provision regarding payment of Income Tax imposed upon CONTRACTOR under the applicable provisions of the Income Tax Laws of the Republic of the Union of Myanmar shall be applied as follows:

a) CONTRACTOR shall be subject to the Myanmar Income Tax Laws and shall comply with requirements of the Myanmar Income Tax Law in particular with respect to filing of returns, assessment of tax, keeping and showing of books and records.

b) CONTRACTOR's annual taxable income for Myanmar Income Tax purposes shall be an amount equal to the CONTRACTOR's net income attributable to the Profit Petroleum allocated to the CONTRACTOR pursuant to Section 9.7 as adjusted for all other expenditures that may not be cost recoverable, but that are by reason of being normal business expenditures, deductible under the Income Tax Laws of the Republic of the Union of Myanmar. It is understood by both Parties that for purpose of determining net taxable income, CONTRACTOR shall also be allowed to deduct all legitimate and reasonable expenses incurred for the purpose of earning income under the existing provisions of the Myanmar Income Tax Law. Such expenses include but are not limited to:

i) interest incurred by CONTRACTOR to finance the Petroleum Operations (to the extent not cost recoverable); and

ii) production bonuses paid by CONTRACTOR pursuant to Section 11; and

c) The CONTRACTOR shall pay Myanmar Income Tax on the annual net taxable income as defined in Section 9.11 (b) above, in accordance with the provisions of the Income Tax Laws of the Republic of the Union of Myanmar and subject to the entitlements under the provisions of the Foreign Investment Law.

d) MOGE shall assist the CONTRACTOR to obtain proper official receipts evidencing the payment for CONTRACTOR's Myanmar Income Tax. Such receipts shall be issued by a duly constituted authority for the collection of Myanmar Income Taxes and shall state the amount and other particulars customary for such receipts. Provisional receipts shall be issued within ninety (90) days following the commencement of the next ensuing Financial Year and final receipt shall be issued not later than ninety (90) days after provisional receipts have been issued.

e) As used herein, Myanmar Income Tax shall be inclusive of all taxes on income payable to the Republic of the Union of Myanmar.

SECTION 10

ROYALTY

10.1 Royalty shall be paid in whole or in part, in cash or in kind, at the option of the Government, as provided in this Section 10.

10.2 In the absence of an election on the part of the Government to take Royalty in kind, Royalty accruing during a Quarter shall be paid in cash within thirty (30) days after the end of that Quarter. CONTRACTOR shall pay to the Government a Royalty equal to twelve point five percent (12.5%) of the value of Available Petroleum from the Contract Area, determined in accordance with Section 12, and adjusted by deducting an amount equal to the cost of transportation from the Delivery Point to the usual point of export.

10.3 CONTRACTOR shall be given at least one hundred and eighty (180) days prior notice of an election by the Government to take Royalty in kind and such option shall be effective for a minimum period of one (1) year. Unless otherwise agreed by the Government and CONTRACTOR, if the Government elects to take Royalty in kind, twelve point five percent (12.5%) of the Available Petroleum shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules. A lifting and nomination procedure will be agreed upon to effect regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules.

10.4 Royalty shall not be recoverable from Cost Petroleum.

SECTION 11

DATA FEE AND BONUSES

11.1 Data Fee

CONTRACTOR shall, within thirty (30) days after the Commencement of the Operation Date, pay to MOGE the sum of U.S. Dollars Five Hundred Thousand (US$ 500,000) as Data Fee for data and information referred to in Section 2.4. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9 but tax deductible pursuant to Section 9.11.

11.2 Signature Bonus

Provided CONTRACTOR does not exercise its right to terminate this Contract pursuant to Section 3.4, CONTRACTOR shall, within thirty (30) days after entering into the Initial Exploration Period, pay to MOGE the sum of U.S. Dollars Ten Million (US$ 10,000,000) as a Signature Bonus. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9.

11.3 Production Bonus - Crude Oil

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Crude Oil Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Crude Oil.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Twenty Five Thousand (25,000) Barrels per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Fifty Thousand (50,000) Barrels per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred Thousand (100,000) Barrels per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such

Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Thousand (150,000) Barrels per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Two Hundred Thousand (200,000) Barrels per day.

11.4 Production Bonus – Natural Gas

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Natural Gas Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Natural Gas.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Million Cubic Feet (150,000,000 ft^3) per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Three Hundred Million Cubic Feet (300,000,000 ft^3) per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Six Hundred Million Cubic Feet (600,000,000 ft^3) per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Seven Hundred and Fifty Million Cubic Feet (750,000,000 ft^3) per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Nine Hundred Million Cubic Feet (900,000,000 ft^3) per day.

11.5 Production Bonuses paid in accordance with Section 11.3 and 11.4 shall not be recoverable from Cost Petroleum.

SECTION 12

VALUATION OF PETROLEUM

12.1 Terms used in this Section shall have the following meanings:

a) "Arms Length Sales" means sales on the international market in freely convertible currencies between willing and unrelated sellers and buyers, excluding sales between Affiliates, sales between governments or government owned entities, sales affected by other commercial relationships between seller and buyer, transactions involving barter, and more generally any transactions motivated wholly or partly by considerations other than the usual commercial incentives.

b) "Reference Crude" means Crude Oil(s) produced in Asia which is/are of comparable gravity and quality to the Crude Oil valued hereunder. The appropriate Crude Oil(s) comprising Reference Crude shall be selected and agreed by MOGE and CONTRACTOR at least one hundred and eighty (180) days prior to Commencement of Commercial Production from any Development and Production Area.

c) "Reference Crude Price" means the average Free on Board ("FOB") point of export spot price for Reference Crude during the relevant time period as quoted in Platt's Oilgram Price Report or such other publication as MOGE and CONTRACTOR may agree, adjusted as necessary to exclude non-Arms Length Sales and to reflect thirty (30) days payment terms and differences in gravity and quality between the Reference Crude and the Crude Oil being valued hereunder.

d) "Transportation Cost" means the transportation cost determined by reference to the Average Freight Rate Assessment ("AFRA") last published by the London Tanker Broker and Association, or such other published Crude Oil freight rate as MOGE and CONTRACTOR may agree, applicable to voyages between the points specified, using vessels of appropriate size.

12.2 For the purpose of Section 9 and Section 10, a U.S. Dollar value per Barrel of Crude Oil shall be determined each Quarter. Such value shall be the Fair Market Value determined and defined in accordance with Section 12.3.

12.3 The Fair Market Value shall be the volume-weighted average of:

a) the price actually received by CONTRACTOR during the relevant Quarter in Arms Length Sales, if any, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms, and

b) the Reference Crude Price applicable for Crude Oil sold by CONTRACTOR during the relevant Quarter in non Arms Length Sales, adjusted to a Yangon point of export basis by adding the Transportation Cost of the Reference

Crude from its point of export to the market in which Myanmar Crude Oil would normally be sold and subtracting the Transportation Cost from Yangon to the market in which Myanmar Crude Oil would normally be sold.

12.4 Within twenty (20) days following the end of each Quarter, CONTRACTOR shall determine Crude Oil value in accordance with this Section and shall notify MOGE. Unless within twenty (20) days after receipt of such notice MOGE notifies CONTRACTOR that it does not agree with CONTRACTOR's determination and specifies in such notice the basis for such disagreement, the CONTRACTOR's determination shall conclusively be deemed to have been accepted. For Crude Oil Sales overlapping Quarters, a reconciliation mechanism shall be provided within the lifting procedure to be agreed upon as provided in Section 9.10.

12.5 In the event MOGE shall have timely notified CONTRACTOR, within the above described twenty (20) day period that it disagrees with CONTRACTOR's determination of Crude Oil value, MOGE and CONTRACTOR shall meet to discuss the CONTRACTOR's determination. Should MOGE and the CONTRACTOR fail to reach agreement on the Crude Oil value within seventy-five (75) days after the end of the Quarter in question, either Party may submit the value determination (and the selection of the Crude Oil to comprise Reference Crude if not previously agreed) to a panel of arbitrator in accordance with the provisions of Section 22.

12.6 The allocation of Crude Oil for Section 9, Section 10 and Section 14 shall be based on the value last determined or in the event of a dispute pursuant to Section 12.5, the average of the value determined by CONTRACTOR and the value proposed by MOGE. When a new value is determined, that value shall be applied retroactively for the Quarter in which the sales used in the determination occurred and appropriate adjustments shall then be made in the allocations of the Parties to reflect the retrospective application of the new Crude Oil value.

12.7 Natural Gas produced and sold during a Quarter shall be valued at the price realized by CONTRACTOR.

SECTION 13

NATURAL GAS

13.1 Any Natural Gas produced from the Contract Area, to the extent not used in Petroleum Operations there under, may be flared if the processing or utilization thereof is not economical. Such flaring shall be permitted to the extent that Natural Gas is not required to effectuate the economic recovery of Petroleum by secondary recovery operations, including repressuring and recycling.

13.2 In the event, however, CONTRACTOR considers that the processing and utilization of Natural Gas is not economical, then MOGE may choose to take from the outlet of the producing facilities at no cost to the CONTRACTOR and utilize such Natural Gas, free of charge that would otherwise be flared. All costs and liabilities related to the taking and handling of such gas shall be the exclusive responsibility of MOGE and for its sole account and risk.

13.3 If, upon completion of an Appraisal Programme, CONTRACTOR considers that a Discovery of Natural Gas is significant but not then economical for development but may become so within seven (7) years, it may, without prejudice to the relinquishment provisions under Section 4 and the notice provisions under Section 7 with respect to the remainder of the Contract Area, retain the Discovery Area and at any time within such seven (7) year period re-evaluate the economic viability of development and declare a Commercial Discovery. MOGE and CONTRACTOR shall jointly make every effort to establish an economically viable gas project based on the Discovery and shall negotiate appropriate terms for such a project. Multiple extensions of one (1) year each shall be made available to CONTRACTOR if justified by market conditions. MOGE approval for such extensions shall not be unreasonably denied. CONTRACTOR shall relinquish such Discovery Area upon request of MOGE if a Development Plan has not been proposed within the seven (7) year period of retention or during any extension granted.

SECTION 14

DOMESTIC CRUDE OIL AND NATURAL GAS REQUIREMENT

14.1 The CONTRACTOR including MOGE pursuant to Section 19, shall after the Commencement of Commercial Production of Crude Oil, fulfill its obligation toward the supply of the domestic Crude Oil market in Myanmar by making a share of its entitlement of Crude Oil available to MOGE. CONTRACTOR's obligatory share of the domestic market obligation will be twenty percent (20%) of the Crude Oil allocated to CONTRACTOR under Section 9.7. The price MOGE will pay CONTRACTOR for such Crude Oil shall be the equivalent of 90% of Fair Market Values as determined in accordance with Section 12 hereof, in US Dollars. Should the Government require amounts of Crude Oil in excess of that obligatory limit required to satisfy CONTRACTOR's domestic market obligation, the price shall be the value of Crude Oil as determined in accordance with Section 12 hereof, and the currency of payment shall be US Dollars. The CONTRACTOR shall be advised in writing by MOGE not less than ninety (90) days prior to the commencement of the deliveries. Notwithstanding the above CONTRACTOR's obligation shall not exceed the extent to which the Government shall make available U.S. Dollars which may be remitted abroad in payment of such excess Crude Oil.

14.2 CONTRACTOR shall receive payment for Crude Oil sold to MOGE pursuant to this Section 14 within forty five (45) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE. In the event CONTRACTOR has not received payment within such forty five (45) day period, CONTRACTOR shall be entitled to interest, compounded monthly at LIBOR plus three percent (3%) on all unpaid amounts commencing on the forty sixth (46th) day. As used herein, LIBOR means the average interbank offered rate for one (1) month U.S. Dollar deposits in the London market, as reported in the Wall Street Journal (New York edition) or if not published, then in the Financial Times of London, on the date the interest commences to accrue.

14.3 If CONTRACTOR has not received payment within ninety (90) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE pursuant to this Section 14, the CONTRACTOR's obligation to deliver Crude Oil pursuant to Sections 9 and 10, may, at CONTRACTOR's exclusive option, be suspended until such time as all payment (including interest) that are more than ninety (90) days past due are received. In order to collect past due amount, CONTRACTOR shall also have the right to lift and freely export relevant quantities of Crude Oil out of Royalty taken under Section 10 and MOGE's entitlement of Crude Oil under Sections 9.4 and 9.7, the value of which under Section 12 equals the amount owed by MOGE to CONTRACTOR, including accrued interest.

14.4 The provisions of Sections 14.1, 14.2 and 14.3 shall apply, mutatis mutandis, to the production of Natural Gas, provided, however that CONTRACTOR's

obligatory share of the domestic market obligation will be twenty-five percent (25%) of the Natural Gas allocated to CONTRACTOR under Section 9.7.

14.5 Notwithstanding the above,

(a) CONTRACTOR shall give priority to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar. If downstream industries in Myanmar cannot utilize the discovered Natural Gas and/or Crude Oil, CONTRACTOR can freely dispose of in consultation and on agreement with MOGE.

(b) In the event, CONTRACTOR considers that the Commercial Discovery is economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR will use its utmost efforts to utilize the Natural Gas and/or Crude Oil in order to produce Value Added Petroleum Downstream Products as soon as possible in consultation with MOGE under separate contract.

(c) In the event, MOGE and CONTRACTOR consider that the Commercial Discovery is not economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR shall have the right during the term hereof to freely dispose of and export or sell domestically its share of Natural Gas and/or Crude Oil and retain abroad the proceeds obtained therefrom.

SECTION 15

EMPLOYMENT AND TRAINING

15.1 In conducting Petroleum Operations hereunder, CONTRACTOR shall select its employees and determine the number thereof. CONTRACTOR shall endeavor to employ qualified Myanmar citizens in accordance with the Foreign Investment Law, rules and regulation of the Republic of the Union of Myanmar. In doing so, CONTRACTOR shall submit a staffing plan for the Development and Production Operations at all levels up to the management level. The employment of Myanmar nationals shall be reviewed from time to time by the Management Committee.

15.2 CONTRACTOR shall spend a minimum of U.S. Dollars Seventy Five Thousand (US$ 75,000) per Contract Year during the Exploration Period of this Contract for one or more of the following purposes:

a) the purchase for MOGE of advanced technical literature, data and scientific instruments;

b) to send qualified Myanmar nationals to selected accredited universities; and

c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

15.3 Starting with the first Contract Year commencing after the commencement of the Development and Production Period for the first Development and Production Area, CONTRACTOR's minimum expenditure commitment under this Section shall be increased to U.S. Dollars One Hundred and Twenty Five Thousand (US$ 125,000) per Contract Year.

15.4 The expenditure of sums for the purposes specified above shall be spent in consulting with MOGE.

15.5 If training expenditures fall short of the minimum training expenditure obligations for a year, the deficiency shall be carried forward and expended in succeeding years. If training expenditures in any Contract Year exceed the minimum training expenditure obligation for that Contract Year the excess shall be credited to the training expenditure obligations for succeeding Contract Years.

15.6 All expenditures made pursuant to this Section 15 relating to training and education, including any payments made to MOGE pursuant to Section 15.7, shall be fully recoverable from Cost Petroleum pursuant to Section 9.

15.7 The CONTRACTOR shall establish a research & development fund in the sum of zero point five (0.5) percentage of its share of Profit Petroleum and the expenditure of this fund will be determined in consultation with MOGE and shall be cost recoverable under Section 9.

SECTION 16

TITLE OF ASSETS

16.1 CONTRACTOR's physical assets which are acquired for purposes of the Petroleum Operations shall become the property of MOGE and shall be cost recoverable by CONTRACTOR pursuant to Section 9, upon importation into Myanmar or upon acquisition in Myanmar. Data, information, reports and samples acquired or prepared by CONTRACTOR for the Petroleum Operations shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9 when acquired or prepared.

16.2 The physical assets, referred to in Section 16.1 shall remain in the custody of CONTRACTOR during the term of this Contract and CONTRACTOR shall have the unrestricted and exclusive right to use such assets in the Petroleum Operations free of charge subject to the provisions of Section 17. CONTRACTOR may retain and freely use, within or outside Myanmar, copies of all data, information and reports and representative portions of all samples, including but not limited to geologic, core, cutting and Petroleum samples.

16.3 The provisions of Section 16.1 shall not apply to assets rented or leased by CONTRACTOR or its Affiliates; nor to assets owned by CONTRACTOR's contractor, subcontractors, its / their Affiliates or other parties.

16.4 For the purpose of this Section, in the event of the replacement or transfer of the motor vehicles used by CONTRACTOR in Petroleum Operations, occurs during the term of this Contract or the expiration or termination of this Contract, CONTRACTOR shall hand-over or transfer such motor vehicles to MOGE in good condition and running status.

SECTION 17

RIGHTS AND OBLIGATIONS OF MOGE AND CONTRACTOR

17.1 MOGE shall:

a) have and be responsible for the management of the operations contemplated hereunder, however MOGE shall assist and consult with CONTRACTOR with a view to the fact that CONTRACTOR is responsible for the execution of the Work Program;

b) i) except as provided in Section 17.2 (c) and 17.2 (d) below, and in Section 9.11, assume and discharge all Myanmar's taxes imposed upon CONTRACTOR, its contractors and subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum, including import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contractors for Petroleum Operations;

ii) assume and discharge all exactions applicable under the laws of the Republic of the Union of Myanmar in respect of property, capital, net worth and operations, including any tax imposed upon goods procured domestically, sales, gross receipts or transfers of property, or any levy on or in connection with operations performed hereunder by CONTRACTOR, its contractors or its subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum;

iii) not be obliged to pay taxes on tobacco, liquor, and other taxes charged on goods and services, import and export duties, customs duties and sales tax and any other tax levied upon articles imported for personal use by the CONTRACTOR, its contractors and sub-contractors employees engaged in Petroleum Operations under this Contract;

c) assist and expedite CONTRACTOR's execution of the Work Programme by providing at cost facilities supplies and personnel including, but not limited to, supplying or making available all necessary visas, work permits, transportation, security protection and rights of way and easements as may be requested by CONTRACTOR and made available from the resources under MOGE's control. In the event such facilities, supplies, or personnel are not readily available, then MOGE shall promptly secure the use of such facilities, supplies and personnel from alternative sources. Expenses thus incurred by MOGE at CONTRACTOR's request shall be reimbursed to MOGE by CONTRACTOR and included in the Petroleum Cost. Such reimbursements will be made in U.S. Dollars computed at the prevailing

market rate through authorized dealer bank at the time the expenses were incurred;

d) have title to all original data resulting from the Petroleum Operations including but not limited to geological, geophysical, petrophysical and engineering data, well logs and completion status reports and any other data as CONTRACTOR may compile during the term hereof for which CONTRACTOR is entitled to retain copies;

e) to the extent that it does not interfere with CONTRACTOR's performance of the Petroleum Operations reasonable use of equipment which becomes its property by virtue of this Contract solely for the Petroleum Operations or for any alternative purpose, provided that approval of CONTRACTOR is first obtained;

f) have the right to consult with CONTRACTOR regarding the immediate removal and replacement of any of the CONTRACTOR's employees at the cost of the CONTRACTOR, if in the consideration of MOGE the employee is incompetent in his work and/or unacceptable to MOGE by reason of his acts or behavior;

g) take best efforts to assist CONTRACTOR to obtain all the permits, clearances, licenses and approvals necessary for the performance of this Contract in Myanmar pursuant to Section 5.1;

h) appoint its authorized representative with respect to this Contract; and

i) assist CONTRACTOR by taking such measures as may be requested by CONTRACTOR to avoid double taxation so that CONTRACTOR's income taxes are creditable for income tax purpose, provided that such request is consistent with the laws of Myanmar.

17.2 CONTRACTOR shall;

a) furnish all funds as may be necessary for the entire Petroleum Operations executed pursuant to this Contract;

b) be responsible to conduct Petroleum Operation in accordance with the good international petroleum industry practices.

c) be responsible to withhold and pay the withholding tax for the payments made for goods and services and the appropriate authorities income tax from payments made to its expatriate employees to the extent required to do so under the Income Tax Law of the Republic of the Union of Myanmar and require CONTRACTOR's contractors and subcontractors to withhold and pay such income tax payments;

d) be responsible to pay to appropriate authorities import duties, customs duties, sales tax and other duties levied on motor vehicles brought into Myanmar for personnel use and not for field use by CONTRACTOR, its

contractors and sub-contractors, in addition, except as provided in Section 17.1(b) above, be responsible to pay to appropriate authorities import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contracts for Petroleum Operation during the period from the date which the CONTRACTOR commences the sales and purchase of Petroleum produced hereunder to the date of termination occurs under Section 25 hereof. The cost and expenses incurred shall be Cost Recoverable as Petroleum Costs under Section 9.4;

e) be responsible for execution of Work Programme which shall be implemented in a work-man like manner and CONTRACTOR shall take such precautions for protection of navigation and fishing and CONTRACTOR shall be responsible to conduct Petroleum Operations in accordance with the applicable provisions of the International Financing Corporation Performance Standards (2012), the World Bank Group Environmental, Health and Safety Guidelines for Offshore Oil & Gas Development (2007), good international petroleum industry practices and the laws, regulations and directives of the Republic of the Union of Myanmar with respect to Environmental and Social protection. The steps to carry out these obligations shall be instituted into the Work programmed. It is also understood that the execution of the Work Programme shall be exercised so as not to conflict with the laws of the Republic of the Union of Myanmar as they exist as of the Effective Date;

f) be responsible to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar as priority referred to in Section 14.5.

g) be entitled to import CONTRACTOR's physical assets on Investment Basis as well as import CONTRACTOR's leased property, property of its contractors and its subcontractors on Drawback Basis;

h) be entitled to export all property which are imported on Drawback Basis;

i) have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, benefits or interests under this Contract to an Affiliate or with the prior written consent of MOGE to other third parties; the consent by MOGE on this matter shall not be unreasonably withheld;

Provided that notwithstanding anything contained elsewhere in the Contract, according to the Myanmar Income Tax Law CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer to a non-Affiliate other than MOGE of the interests under this Contract or of the shares in the Company, registered under Section 5.1.

(1)	If the amount of Net Profit arising from the said sale or transfer is up to and including US$100 million	40%

(2) If the amount of Net Profit arising from the said sale or transfer is above US$100 million and up to and including US$150 million — 45%

(3) If the amount of Net Profit arising from the said sale or transfer is over US$150 million — 50%

j) have the right of access to and from the Contract Area and to and from facilities wherever located at all times;

k) after entering the Initial Exploration Period, submit to MOGE daily drilling reports (where applicable) and weekly and monthly progress reports;

l) submit to MOGE copies of all such original geological, geophysical, drilling, well, production and any other data and reports, including interpretive reports, relating to the Contract Area as it may compile during the term hereof;

m) as required under Section 15, prepare and carry out plans and programmes for industrial training and education of Myanmar nationals selected by MOGE from its staff for all job classifications with respect to operations contemplated hereunder;

n) appoint authorized representative for Myanmar with respect to this Contract, who shall have an office in Yangon.Such representative shall represent CONTRACTOR in the conduct of Petroleum Operations hereunder;

o) unavoidably give preference to and require its contractors and subcontractors to give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;

p) unavoidably execute Petroleum Operations in accordance with the Work Programme utilizing twenty-five (25) percent of the approved Budget for each Financial Year for goods and services that are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required, subject to the approval of MOGE unless otherwise agreed upon by both parties;

q) procure such goods and services for the execution of the Work Programme through international tender procedures approved by MOGE unless otherwise agreed upon by both Parties;

r) allow duly authorized representatives of MOGE to have reasonable access to the Contract Area and to the operations conducted thereon. Such representatives may examine data, books, register and records of

CONTRACTOR, and make a reasonable number of surveys, drawings and tests for the purpose of enforcing this Contract. They shall, for such purpose, be entitled to make reasonable use of machinery and instruments of the CONTRACTOR. Each Party shall assume responsibility for the safety of its employees and representatives except in the case of gross negligence or willful misconduct of the other Party. Such representatives shall be given reasonable assistance by the agents and employees of the CONTRACTOR so that none of their activities shall endanger or hinder the safety or efficiency of the operations. The CONTRACTOR shall offer such representatives all privileges and facilities accorded to its own employees in the Contract Area and shall provide them, free of charge, the temporary use of reasonable office space while they are in the Contract Area and transportation facilities for them to and from the Contract Area for the purpose of facilitating the objectives of this Section;

s) have the right to use and have access to and MOGE shall furnish all geological, geophysical, drilling, well production and other information held by MOGE or by any other governmental agency or enterprise, relating to the Contract Area including but not limited to well location maps;

t) have the right to use and have access to and MOGE shall make available so far as possible, all geological, geophysical drilling, well production and other information now or in the future held by it or by any other governmental agency or enterprise relating to the areas adjacent to the Contract Area;

u) shall employ safety precautions and safe working practices during the Petroleum Operations as are consistent with international petroleum practices;

v) prior to the Petroleum Operations commencement date nominate a person to act as the safety officer of CONTRACTOR who shall be the representative directly responsible for enforcing CONTRACTOR's safety rules;

w) not be liable to MOGE or the Government for special, indirect or consequential damages resulting from or arising out of the Petroleum Operations, including without limitation, loss of profit business interruption or the inability to produce Petroleum;

x) subject to Section 17.2 (q), have the right to freely import all materials, equipment and supplies required in connection with the performance of the Petroleum Operations;

y) require its contractors and sub-contractors to :

   i) export from the Republic of the Union of Myanmar all materials equipment and supplies (other than those consumed in the operations) within four (4) months from the expiration or termination date of the contract under which such materials, equipment and supplies were imported; and

ii) be responsible for all such taxes and duties attributable to such items not exported within such four (4) month period;

z) establish an office within Myanmar to coordinate the operations to be conducted within the Contract Area;

aa) CONTRACTOR and its personnel, while in Myanmar, shall respect and abide by all laws and regulations of Myanmar, and shall refrain from interfering in the internal affairs of the Republic of the Union of Myanmar;

bb) be responsible to conduct environmental impact assessment (EIA) and social impact assessment (SIA) and to development of Environmental Management Plan (EMP) and implementation for the environmental protection and management in the Contract Area in accordance with the laws, rules, regulations, directive and notifications of the Republic of the Union of Myanmar in conformity with international petroleum industry's practices with respect to the environment protection and mitigation;

cc) collaborate with MOGE to implement the Extractive Industries Transparency Initiative;

dd) expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the code of conduct of each CONTRACTOR Party; and

ee) after the expiration or termination of this Contract, or relinquishment of part of the Contract Area, or abandonment of any field, prearrange to remove all equipment and installations from the area in a manner acceptable to MOGE, and perform all necessary site restoration activities in accordance with the applicable rules and regulations of the Government of the Republic of the Union of Myanmar and international petroleum industry practices to prevent hazards to human life and property of others or environment. Abandonment costs shall be recoverable from Cost Petroleum under Section 9.

SECTION 18

MANAGEMENT COMMITTEE

18.1 MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programmes. For the purpose of the proper implementation of this Contract, the Parties shall establish a Management Committee ("**Management Committee**") within forty-five (45) days from the Commencement of the Operation Date. The Management Committee shall have overall supervision and management of Petroleum Operations including approved Works Programmes and Budgets. The duties and responsibilities of the Management Committee shall be as prescribed in Annexure "E".

SECTION 19

STATE PARTICIPATION

19.1 MOGE shall have the right to demand from CONTRACTOR that up to twenty percent (20%) undivided interest in the total rights and obligations under this Contract be offered after Commercial Discovery. MOGE shall have the option to increase the undivided interest in the total rights and obligations under this Contract up to twenty five percent (25%) if the reserve is greater than five (5) trillion cubic feet on Barrels of Oil Equivalent (BOE) basis.

19.2 The right referred to in Section 19.1 shall lapse unless exercised by MOGE not later than ninety (90) days after CONTRACTOR's notification by registered letter to MOGE of its first Discovery of Petroleum in the Contract Area, which in the judgment of CONTRACTOR after consultation with MOGE can be produced commercially. MOGE shall make its demand known to CONTRACTOR by registered letter.

19.3 CONTRACTOR shall make its offer by registered letter to MOGE within thirty (30) days after receipt of MOGE's registered letter referred to in Section 19.2. CONTRACTOR's letter shall be accompanied by a copy of this Contract and a Draft Operating Agreement embodying the manner in which CONTRACTOR and the MOGE shall cooperate. The main principles of the Draft Operating Agreement are contained in Annexure "F" to this Contract.

19.4 The offer by CONTRACTOR to the MOGE shall be effective for a period of one hundred and eighty (180) days. If MOGE has not accepted this offer by registered letter to CONTRACTOR within the said period, CONTRACTOR shall be released from the obligation referred to in this Section.

19.5 In the event of acceptance by MOGE of CONTRACTOR's offer, MOGE shall be deemed to have acquired the undivided interest on the date of CONTRACTOR's notification to MOGE referred to in Section 19.2.

19.6 For the acquisition of an undivided interest in the total of the rights and obligations arising out of this Contract, MOGE shall reimburse CONTRACTOR an amount equal to the percentage interest acquired by MOGE pursuant to Section 19 of the sum of Petroleum Costs which CONTRACTOR has incurred for and on behalf of its activities in the Contract Area as from the Commencement of the Operation Date up to the date of MOGE's notification to CONTRACTOR exercising the rights mentioned in Section 19.1, in addition to the same percentage of Data Fee and the bonuses paid by the CONTRACTOR under Section 11 of this Contract. All costs incurred after such election shall be covered by the Operating Agreement between MOGE and the CONTRACTOR.

19.7 At the option of MOGE, the amount referred to in Section 19.6 shall be reimbursed:

a) either by transfer of the said amount by MOGE within three (3) months after the date of its acceptance of CONTRACTOR's offer referred to in

Section 19.3, to CONTRACTOR's account with the banking institution to be designated by CONTRACTOR in the currency in which the relevant costs have been financed or

b) by way of payment out of production of fifty percent (50%) of MOGE's production entitlements under this Contract (either as MOGE or CONTRACTOR) valued in the manner as described in Section 12 of this Contract commencing on the Commencement of Commercial Production.

19.8 At the time of its acceptance of CONTRACTOR's offer, MOGE shall state whether it wishes to reimburse in cash or out of its production entitlements in the manner indicated in Section 19.7.

19.9 If at any time MOGE wishes to dispose of all or part of its undivided interest, the CONTRACTOR shall have the right to acquire such undivided interest from MOGE on the same terms and conditions as agreed to by MOGE and the proposed transferee. The procedure to be followed will be detailed in the Operating Agreement referred to in Section 19.6.

SECTION 20

FORCE MAJEURE

20.1 In the event Force Majeure hinders, prevents or delays performance of any obligation under this Contract or the performance of any Petroleum Operations planned by CONTRACTOR for the purpose of fulfilling any such obligation:

a) the failure or delay in performance, unless due to non-availability of funds, shall be excused and the affected Party's obligations under the Contract shall be suspended while the Force Majeure continues and for a reasonable time thereafter sufficient for the affected Party to place itself in the same position as immediately prior to the occurrence of Force Majeure, and

b) the period of suspension shall be added to the term of this Contract and all designated deadlines and time periods for making payments and performing Petroleum Operations under the Contract shall be extended accordingly.

20.2 For purposes of this Contract "Force Majeure" means any event beyond the reasonable control of the Party invoking it. By way of illustration only, Force Majeure includes but shall not be limited to strikes, active hostilities or imminent threat of hostilities, blockades, riots, insurrection, fire, epidemics, natural phenomena or calamities, acts of public authorities, acts of God, substantial non-availability of services or equipment, substantial breakdown of equipment and accidents provided always that the foregoing incidents are beyond the reasonable control of the Party invoking Force Majeure.

20.3 The affected Party shall give notice to the other Party as soon as possible stating the cause of the failure or delay in performance. Similarly, it shall give notice as soon as normal conditions are restored.

20.4 The Parties shall take all reasonable measures to remove the cause for such failure or delay in performance and to minimize the consequences of any event of Force Majeure.

20.5 Neither Party shall be entitled to make any claim against the other Party for any expenses incurred due to Force Majeure.

20.6 CONTRACTOR shall have the right to terminate this Contract and shall be discharged from all obligations hereunder, specifically including the obligation to perform the minimum work commitments under Section 5.2 and the obligation to pay any deficiency under Section 5.3, if Force Majeure should continue for a period of at least twenty-four (24) consecutive months.

SECTION 21

GOVERNING LAW, JURISDICTION AND INALIENABLE RIGHTS

21.1 This Contract shall be governed by and construed and interpreted in all respects in accordance with the laws of the Republic of the Union of Myanmar.

21.2 Without prejudice to Section 22.2, the Parties hereby agree to submit to the jurisdiction of the relevant Court of Myanmar and all Courts competent to hear appeals there from.

21.3 Subject to Section 8(b) of the State-owned Economic Enterprises Law 1989, no term or provisions of this Contract, including the agreement of the Parties to submit to Arbitration herein, shall prevent or limit the Government of the Republic of the Union of Myanmar from exercising its inalienable rights on its natural resources.

SECTION 22

CONSULTATION AND ARBITRATION

22.1 Periodically, MOGE and CONTRACTOR shall meet to discuss the conduct of the Petroleum Operations envisaged under this Contract and will make every effort to settle amicably any problem arising there from.

22.2 Any and all disputes, controversies, or claims between the Parties or its Affiliates arising out of or relating to this Contract or the performance, breach, termination, or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said rules, one (1) for the MOGE, one (1) for the CONTRACTOR, the third one to be designated in accordance with the said Rules.

22.3 The place of arbitration shall be Singapore with administration by the Singapore International Arbitration Centre ("SIAC") in accordance with its Practice Note on UNCITRAL cases. The language of the arbitration shall be English.

22.4 In rendering an award, the arbitrators shall take account of the laws of the Republic of the Union of Myanmar.

22.5 The arbitral award shall be final and binding on all Parties on the matter under arbitration save in the event of:

i) fraud;

ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;

iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence; or

iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

In which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules.

Once final, judgment may be entered on the arbitral award by any court of competent jurisdiction.

Each Party agrees that its rights and obligations under this Contract are of a commercial nature. To the extent that a Party may be entitled to claim for itself or any of its assets immunity (whether sovereign or otherwise), each Party waives any claim to immunity in connection with any effort to enforce or execute any order, judgment, award or other remedy.

22.6 Each Party shall continue fully to perform all of its obligations under this Contract, other than those subject to the dispute submitted to arbitration, during the pendency of the determination.

SECTION 23

BANKING

23.1 CONTRACTOR shall supply CONTRACTOR's share of all funds necessary for Petroleum Operations in Myanmar in freely convertible currency from abroad except to the extent that Myanmar currency is generated in connection with the performance of the Petroleum Operations.

23.2 CONTRACTOR in accordance with the Foreign Investment Law and the Foreign Exchange Management Law of the Republic of the Union of Myanmar existing as of the date hereof, shall open and maintain foreign bank accounts in Myanmar at authorized banks and to receive abroad, remit abroad, retain abroad and use the entirety of the foreign exchange proceeds which are received from export and local sales of its share of Petroleum from the Contract Area or which are in any way generated in connection with the performance of the Petroleum Operations.

23.3 CONTRACTOR shall be entitled to purchase Myanmar currency at authorized banks whenever required for the Petroleum Operations and to convert into freely convertible foreign currency any excess Myanmar currency which is not then needed for local requirements.

23.4 Normal bank commissions and costs of transfers relating to currency conversions or remittances shall be borne by CONTRACTOR and shall be recoverable from Cost Petroleum.

23.5 CONTRACTOR shall be entitled to pay its foreign-controlled contractors and subcontractors and its expatriate employees in foreign currency abroad, and such contractors, subcontractors and expatriate employees shall be entitled to receive and retain such foreign currency abroad.

23.6 The provisions of Sections 23.2, 23.3, 23.4 and 23.5 shall also apply to CONTRACTOR's expatriate employees and CONTRACTOR's foreign controlled contractors, subcontractors and their expatriate employees.

23.7 Unless otherwise expressly agreed, all payments by CONTRACTOR to MOGE or the Government hereunder and all payment by MOGE or the Government to CONTRACTOR hereunder shall be made in U.S. Dollars at a bank in Myanmar or abroad as specified by the recipient.

SECTION 24

INSURANCE

24.1 As to all operations performed by the CONTRACTOR under this Contract, the CONTRACTOR shall secure and maintain insurance in accordance with Foreign Investment Law and rules and procedures relating to the Foreign Investment Law, to the extent that all such insurances are available in the local market. CONTRACTOR, however, may provide such insurance coverage to fulfill the requirements hereunder through the use of any world-wide policy or policies with Certificates of Insurance evidencing such coverage and containing a statement that such insurance shall not be materially changed or canceled without at least thirty (30) days prior written notice.

24.2 The CONTRACTOR shall require that its contractors and subcontractors procure similar insurance to those required to be procured by the CONTRACTOR and such additional insurances as CONTRACTOR shall deem appropriate, all to be evidenced by Certificates of Insurance.

24.3 To eliminate controversy, the expense and inconvenience thereof, as between MOGE and the CONTRACTOR, it is agreed that the insurance policies shall be endorsed so that the underwriters, insurers and insurance carriers of each with respect to this Contract shall not have any right of recovery against either of the Parties hereto or their representatives in any form whatsoever, and the rights of recovery with respect to this operation are mutually waived. All policies of insurance herein provided and obtained or required by either Party shall be suitably endorsed to effectuate this waiver of recovery.

SECTION 25

TERMINATION

25.1 This Contract may be terminated by the CONTRACTOR by giving not less than ninety (90) days written notice to MOGE provided, however, CONTRACTOR may not so terminate this Contract during the Exploration Period or any extension thereof prior to fulfilling the applicable conditions specified in Section 5.

25.2 This Contract shall be terminated in its entirety by MOGE if it is proved that the CONTRACTOR, acting as a company and not including actions of its employees, intentionally and knowingly is involved in political activities detrimental to the Republic of the Union of Myanmar. On such termination, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.3 If the CONTRACTOR is in material breach of any of its obligations under this Contract, MOGE shall give notice to remedy such breach within sixty (60) days. If CONTRACTOR fails to remedy such breach within the said sixty (60) days, MOGE shall have the right to terminate this Contract by delivering a notice of termination to the CONTRACTOR. Once terminated, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.4 Subject to earlier termination upon notice by CONTRACTOR pursuant to Section 25.1, this Contract shall automatically terminate in its entirety on the later of the occurrence of one of the following events:

a) If there is no Commercial Discovery of Petroleum in the Contract Area during the Exploration Period or extension thereof;

b) At the end of the Development and Production Periods relating to all Development and Production Areas within the Contract Area; or

c) At the end of the Natural Gas/Crude Oil commercialization period or extension provided for in Section 13.3.

SECTION 26

BOOKS AND ACCOUNTS AND AUDITS

26.1 Subject to the requirement of Section 17.2, CONTRACTOR shall be responsible for keeping complete books and accounts with the assistance of MOGE reflecting all Petroleum Costs as well as monies received from the sale of Petroleum, consistent with international petroleum industry practices and proceedings as described in Annexure "C" attached hereto. Should there be any inconsistency between the provisions of this Contract, and the provisions of Annexure "C", then the provisions of the Contract shall prevail.

26.2 MOGE and the Government shall have the right to inspect and audit CONTRACTOR's books and accounts relating to this Contract for any Financial Year covered by this Contract following the end of the Financial Year. Any exception must be made in writing within sixty (60) days following the completion of such audit. Such audit shall be performed within two Financial Years after the closing of the related Financial Year.

SECTION 27
GENERAL PROVISIONS

27.1 Notices

a) Notices and other communications required or permitted to be given under this Contract shall be deemed given when delivered and received in writing either by hand or through the mail, or facsimile, appropriately addressed as follows:

to MOGE:

i) By hand or mail: MYANMA OIL AND GAS ENTERPRISE
BUILDING NUMBER 44, NAY PYI TAW,
REPUBLIC OF THE UNION OF MYANMAR.

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: 00 95 67 411125

to CONTRACTOR PARTIES:

RELIANCE INDUSTRIES LIMITED

I) By hand or mail: RELIANCE CORPORATE PARK, 12B 2ND FL
THANE BELAPUR ROAD, GHANSOLI,
NAVI MUMBAI 400701, INDIA

ATTENTION: PRESIDENT
STRATEGY & BUSINESS DEVELOPMENT

ii) By Facsimile: +91 22 2760 0606

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

i) By hand or mail: NO. 35, ZAYYA THUKHA 3RD STREET,
BLOCK 54, THUWANA, THINGANKYUN
TOWNSHIP, YANGON
REPUBLIC OF THE UNION OF MYANMAR

ATTENTION: CHIEF EXECUTIVE OFFICER

ii) By Facsimile: +95 1 570 366

b) any notice given by hand delivery or registered mail shall be deemed given at the time of delivery and any notice given by facsimile shall be deemed to be given at the time transmission has been confirmed provided however, where the time of transmission falls outside the normal business hours of the recipient, delivery shall be deemed to be given at 09:00 hours (recipient's local time) on the next following business day at the location of the receipt.

c) MOGE and CONTRACTOR may change its address or addresses by giving notice of the change to each other.

27.2 Language of Text

This Contract is made and entered into in the English Language.

27.3 Effectiveness

This Contract shall be legally binding on and from the Effective Date.

27.4 Covenants Against Undue Influence

The Parties agree that they will comply with applicable anti-corruption laws of the Republic of the Union of Myanmar.

27.5 Secrecy

a) Contractor undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations in the Republic of the Union of Myanmar. The CONTRACTOR understands fully that this undertaking and obligation is a continuing one which will be binding also on its successors, legal representatives and permitted assigns, until such time when MOGE agrees in writing to release CONTRACTOR from its undertakings and obligations. CONTRACTOR may disclose data and information to government authorities if required by law and, in order to facilitate the conduct of the Petroleum Operations may also disclose data and information to affiliates, its contractors, consultants and bone fide prospective assignees provided that the CONTRACTOR obtains an undertaking by the recipient to maintain such data in strictest secrecy and confidence.

b) MOGE may use at its own discretion all the data and information obtained during the course of operations in the Republic of the Union of Myanmar but shall undertake to maintain such data and information in strictest secrecy and confidence during the term of this Contract.

27.6 Change of Conditions

In the event that any situation or condition arises due to circumstances not envisaged in the Contract that warrants amendments to the Contract the Parties shall negotiate and make the necessary amendments.

27.7 Stabilization

If a material change occurs to the CONTRACTOR's economic benefits after the Commencement of the Operation Date of the Contract due to the promulgation of new laws decrees, rules and regulations, any amendment to the applicable laws, decrees, rules and regulations or any reinterpretation of

any of the foregoing made by the Government, the Parties shall consult promptly and make all necessary revisions or adjustment to the relevant provisions of the Contract in order to maintain the CONTRACTOR's normal economic benefit hereunder.

27.8 Entire Agreement

This Contract supersedes all prior understandings and agreements of the Parties and may not be modified by any means except by written instrument signed by both Parties. The Contract is to be read, interpreted and enforced as a single, indivisible fully integrated agreement representing the entire expression of the Parties in writing with respect to the subject matters therein contained.

IN WITNESS WHEREOF, this Contract has been executed by a duly authorized signatory of each respective Party named below at Nay Pyi Taw, the Republic of the Union of Myanmar as of the day and year first above mentioned.

Signed, sealed and delivered *for and on behalf of*	Signed, sealed and delivered *for and on behalf of*
MYANMA OIL AND GAS ENTERPRISE	**RELIANCE INDUSTRIES LIMITED**
____________________ U MYO MYINT OO MANAGING DIRECTOR	____________________ NAME TITLE
	For and on behalf of **UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.**
	____________________ NAME TITLE
WITNESS:	
____________________ U PE ZIN TUN DIRECTOR GENERAL ENERGY PLANNING DEPARTMENT	____________________ NAME TITLE **RELIANCE INDUSTRIES LIMITED**
	____________________ NAME TITLE **UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.**

ANNEXURE "A" DESCRIPTION OF CONTRACT AREA

This Annexure "A" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2014

DESCRIPTIONOF CONTRACT AREA

TANINTHARYI OFFSHORE BLOCK M-17

BLOCK M-17 COORDINATES

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	11° 00' 00"	96° 19' 00"
B	11° 00' 00"	98° 00' 00"
C	10° 19' 00"	98° 00' 00"
D	10° 19' 00"	96° 19' 00"
A	11° 00' 00"	96° 19' 00"

Area of Block M-17= 5,472 Sq. Miles.

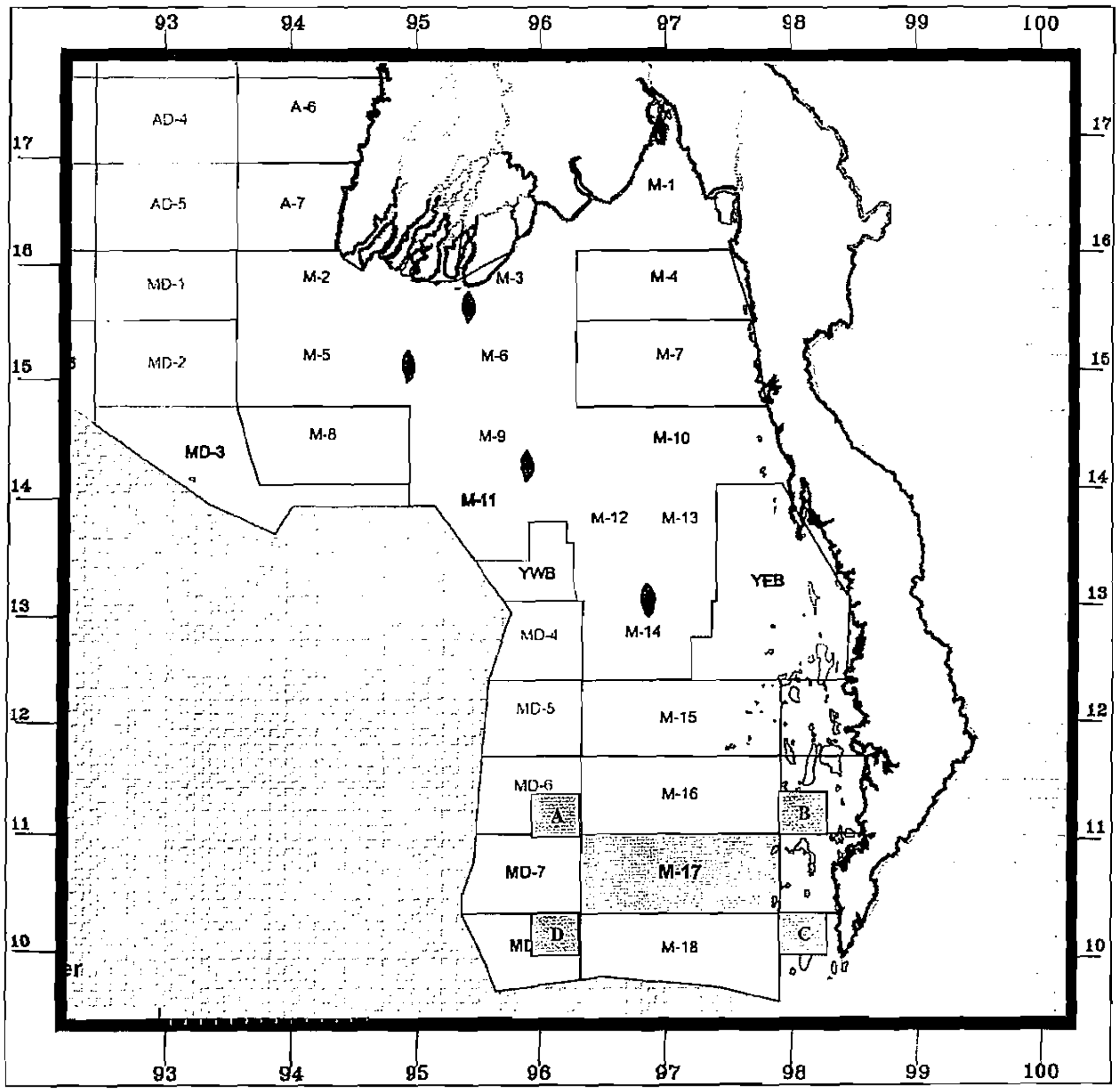
Note: **Block M-17** ***boundary is defined by the coordinate above and defined as three (3) nautical miles from mainland shore and further defined with an exclusion zone of one (1) nautical mile from the shore of recognized islands.***

ANNEXURE "B" MAP OF CONTRACT AREA

This Annexure "B" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2014.

MAP OF CONTRACT AREA



ANNEXURE "C" ACCOUNTING PROCEDURE

This Annexure "C" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: 2014

ACCOUNTING PROCEDURE

ARTICLE 1- GENERAL PROVISIONS

This Accounting Procedure applies to and shall be observed in the establishment, keeping and control of all accounts, books and records of accounts under the Contract.

The Contract and this Accounting Procedure are intended to be correlative and mutually explanatory. Should however any discrepancy arise, then the provisions of the Contract shall prevail.

The Parties agree that if any procedure established herein proves unfair or inequitable to any Party, the Parties shall meet and endeavor to agree on the changes necessary to correct that unfairness or inequity.

For the purpose of the present Accounting Procedure, the term "CONTRACTOR" shall also include CONTRACTOR's Affiliates as may be necessary according to the context.

1.1 Definitions

1.1.1 The terms used in the Accounting Procedure have the same meanings as set out for the same terms in the Contract and otherwise in accordance with the provisions of the Contract.

1.1.2 "Capital Expenditures" means expenditures incurred for the purchase of tangible physical assets which by generally accepted international accounting principles of the international petroleum industry are classified as capital and the costs of which is amortizable. Such assets include but are not limited to:

- drilling and well equipment including wellheads, casing, pipe, flow lines and pumps;
- gathering systems including pipe, field storage, and crude oil separation and treatment plants and equipment;
- pipelines for the transportation of Petroleum to the point of export, sale or delivery;
- storage tanks and loading facilities at the point of export, sale or delivery; and
- any other plant, equipment or fixture in the Republic of the Union of Myanmar reasonably necessary to carry out Petroleum Operations.

1.1.3 "Controllable Material" means Material which the CONTRACTOR subjects to record control and inventory in accordance with good international petroleum industry practice.

1.1.4 "Material" means any equipment, machinery, materials, articles, supplies and consumable either purchased, or leased, or rented or transferred by CONTRACTOR and used in the Petroleum Operations.

1.2 Books and Record

Books and records of accounts will be kept in accordance with a generally accepted and recognized accounting system consistent with modern petroleum industry practices and procedures and in English language and U.S. Dollars, supplemented and supported by such books, records or entries in other currencies as may be necessary for completeness and clarity and to implement the Contract in accordance with its terms.

1.3 Currency Exchange

Any costs incurred or proceeds received, in currency other than U.S. Dollars including the currency of the Republic of the Union of Myanmar shall be converted into U.S. Dollars computed at the prevailing rate of exchange on the day on which the costs were paid or the proceeds were received.

1.4 Independent Auditor

The CONTRACTOR shall in consultation with MOGE, appoint an independent auditor of international standing, to audit annually the accounts and records of Petroleum Operations and report thereon, and the cost of such audit and report shall be promptly delivered to the MOGE and shall be chargeable under the CONTRACT.

ARTICLE 2 - PETROLEUM COSTS

2.1 The parties shall maintain a "Petroleum Costs Account" in which there shall be reflected all Petroleum Costs incurred in connection with the Petroleum Operations carried out under the provisions of the Contract.

Such Petroleum Costs shall be recoverable by the CONTRACTOR in accordance with the provisions of the Contract and as further set out below. Without limiting the generality of the foregoing, the costs and expenditures considered in 2.2 to 2.12 hereafter are included in Petroleum Costs.

Petroleum Costs shall be recoverable in following manner:

a) Operating Costs, including all tangible drilling costs, with the exception of the Capital Expenditure, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which these Operating Costs are incurred or the Financial Year in which commercial production occurs, whichever is the later.

b) Exploration and Appraisal Expenditures, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which commercial production occurs.

c) Capital Expenditures incurred in respect of each Development Area shall be recoverable at a rate of twenty five percent (25%) per annum based on amortization at that rate starting either in the Financial Year in which such Capital expenditures are incurred or the Financial Year in which commercial production from that Development and Production Area commences, whichever is the later.

d) Capital Expenditures, including but not limited to expenditure for aircraft, camps, offices, warehouses, vehicles, workshops, power plants, tools, and equipment, incurred outside of a Development and Production Area, shall be recoverable at a rate of twenty-five (25%) per annum, based on amortization at that rate starting either in the Financial Year in which such Capital Expenditures are incurred or the Financial Year in which commercial production from any Development and Production Area commences, whichever is the later, and shall be recoverable from any Development and Production Area(s).

e) Accrual of estimated abandonment costs shall be recoverable from the Financial Year in which commercial production from each Development and Production Area commences.

2.2 Labor and related costs

2.2.1 CONTRACTOR's locally recruited employees based in the Republic of the Union of Myanmar.

The actual cost of all CONTRACTOR's locally recruited employees who are directly engaged in the conduct of Petroleum Operations in the Republic of the Union of Myanmar. Such costs shall include the costs of employee benefits and Government benefits for employees and taxes and other charges levied on the CONTRACTOR as an employer, transportation and relocation costs within the Republic of the Union of Myanmar and costs of the employee and such employee's family (limited to spouse and dependent children), as statutory or customary for the CONTRACTOR.

2.2.2 Assigned personnel

The cost of the personnel of CONTRACTOR and its Affiliates resident in and working in the Republic of the Union of Myanmar for the Petroleum Operations under this Contract.

The cost of these personnel shall be the CONTRACTOR's actual cost according to CONTRACTOR's practice.

Actual cost includes, but is not limited to, free furnished accommodation in the Republic of the Union of Myanmar, medical and dental treatment

of the employee and immediate family, local schooling expenses and any other local employment cost paid by the CONTRACTOR.

2.2.3 Personnel of the CONTRACTOR and its Affiliates, based outside the Republic of the Union of Myanmar working for the Petroleum Operations on a time sheet basis under this Contract.

Such personnel shall be charged at rates which represent the CONTRACTOR and its Affiliates actual cost under this Contract. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside CONTRACTOR and its Affiliates home country, the hourly rate will be charged from the date such personnel leave the town where they usually work in CONTRACTOR and its Affiliates home country through their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employees from his employment in CONTRACTOR and its Affiliates home country. No charge will be made for overtime.

As early as possible in each Financial Year, the CONTRACTOR shall advise these hourly rates for each subsequent Year. They may be subject to revision from time to time at the CONTRACTOR's initiative.

2.2.4 Other personnel

Personnel working for the Petroleum Operations under this Contract outside the Republic of the Union of Myanmar for the CONTRACTOR and its Affiliates who are not on a time sheet basis shall be deemed compensated as per the administrative overheads set forth in subpart 2.11 below.

2.2.5 Provisions common to Subpart 2.2.2 and 2.2.3

Subpart 2.2.2 and 2.2.3 above have been agreed upon considering the present structure of the CONTRACTOR. Should the CONTRACTOR be charged, or should the CONTRACTOR change their present structure or organization, these subparts shall be revised accordingly.

2.2.6 Employees training expenses

Training expenses for the CONTRACTOR's employees resident in the Republic of the Union of Myanmar and the CONTRACTOR's contribution to training under Section 15 of the Contract.

2.3 Material

2.3.1 The cost of Material shall be charged to the Petroleum Costs Account on the basis set forth below.

The CONTRACTOR does not guarantee the Material. The only guarantees are the guarantees given by the manufactures or the vendors, as long as, they are in force.

2.3.1.1 Except as otherwise provided in Subpart 2.3.1.2 below, Material shall be charged at the actual net cost incurred by the CONTRACTOR. Net cost shall include, but shall not be limited to such items as the vendor's invoice price, packaging, transportation, loading and unloading expenses, insurance costs, duties, fees and applicable taxes less discounts actually received.

2.3.1.2 Material shall be charged at the price specified herein below:

a) New Material (Condition "A") shall be valued at the current international net cost which shall not exceed the price prevailing in normal arm's length transaction on the open market:

b) Used material (Condition "B", "C" and "D" and junk Material)

i) Material which is sound and serviceable condition and is suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy-five (75%) of the current price of new Material defined in a) above;

ii) Material which cannot be classified as Condition "B" but which after reconditioning will be serviceable for its original function shall be classified as Condition "C" and price at fifty percent (50%) of the current price of new Material as defined in a) above. The cost of reconditioning shall be charged to the reconditioned Material provided that the value of the Condition "C" Material plus the cost of reconditioning do not exceed the value of Condition "B" Material;

iii) Material which has a value and which cannot be classified as Condition "B" or Condition "C" shall be classified as Condition "D" and priced at value commensurate with its use.

iv) Material which is usable and which cannot be classified as Condition "B" or Condition "C" or Condition "D" shall be classified as junk and shall be considered as having no value.

2.3.2 Inventories

At reasonable intervals, inventories shall be taken by the CONTRACTOR of all controllable Material. The CONTRACTOR shall give sixty (60) days written notice of intention to take such inventories to allow the MOGE to choose whether to be represented (in which case the MOGE shall elect to accept the inventory taken by the CONTRACTOR).

2.4 Transportation and employee relocation costs

2.4.1 Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air freight, and customs clearance and other destination services.

2.4.2 Transportation of employees as required in the conduct of Petroleum Operations, including employees of the CONTRACTOR's whose salaries and wages are chargeable under subparts 2.2.2 and 2.2.3 of this Accounting Procedure.

2.4.3 Relocation costs for employees permanently of temporarily assigned to Petroleum Operations. Relocation costs from the vicinity of Petroleum Operations, except when an employee is reassigned to another location classified as a foreign location by the CONTRACTOR. Such costs include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the usual practice of the CONTRACTOR.

2.5 Services

2.5.1 The actual costs of contract services, professional consultants and other services performed by third parties.

2.5.2 Costs of use of facilities and equipment for the direct benefit of the Petroleum Operations, furnished by the CONTRACTOR, or third parties, at rates commensurate with the cost of ownership, or rental, and the cost of operation thereof, but such rates shall not exceed those currently prevailing in normal arm's length transactions on the open market for like services and equipment.

2.6 Damages and losses to material and facilities

All costs or expenses necessary for the repair or replacement of Material and facilities resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The CONTRACTOR shall furnish to the MOGE written notice of damages or losses for each occurrence or loss involving more than U.S. Dollars One Hundred Thousand (US$100,000) after the loss occurrence or as soon as practicable.

2.7 Insurance Claims

2.7.1 Premiums paid for insurance to cover the risks related to Petroleum Operations according to the CONTRACTOR's practice.

2.7.2 Actual expenditure incurred in the settlement of all losses, claims, damages, judgments, and other expenses (including legal expenses as set out below) for the benefit of the Petroleum Operations.

2.8 Legal Expenses

All costs or expenses of litigation or legal services otherwise necessary or expedient including but not limited to legal counsel's fees, arbitration costs, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These services may be performed by the CONTRACTOR's legal staff and/or an outside firm as necessary.

2.9 Charges and fees

i) All charges and fees which have been paid by the CONTRACTOR with respect to the Contract.

ii) All financing interests for the Capital Expenditures incurred during the Development Period of which interest rate shall be decided according to market prevailing rate at that time applicable to Myanmar or to be arranged by CONTRACTOR.

2.10 Offices, camps and miscellaneous facilities

Cost of establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities such as recreational facilities for employees. If these facilities serve more than one (1) contract area the costs thereof shall be allocated on an equitable basis.

2.11 General and administrative expenses

2.11.1 The services for all personnel of the CONTRACTOR as per subpart 2.2.4 as well as the contribution of the CONTRACTOR's to the Petroleum Operations of an intangible nature shall be deemed compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2 The basis for applying this overhead charge shall be the total Petroleum Costs incurred during each Financial Year or fraction thereof.

The sliding scale percentage shall be the following: -

For the first U.S. Dollars Five Million:	4%
For the next U.S. Dollars Three Million:	2%
For the next U.S. Dollars Four Million:	1%
Over U.S. Dollars Twelve Million:	0.5%

2.12 Other Expenditures

Any reasonable expenditure not covered or dealt with in the foregoing provisions which are incurred by the CONTRACTOR for the necessary and proper performance of the Petroleum Operations and the carrying out its obligations under the Contract or related thereto.

2.13 Credits under the contract

The net proceeds of the following transactions will be credited to the accounts under the Contract.

a) the net proceeds of any insurance or claim in connection with the Petroleum Operations or any assets charged to the accounts under the Contract.

b) revenue received from outsiders for the use of property or assets charged to the accounts under the Contract which have become surplus to Petroleum Operations and have been released to mitigate losses;

c) any adjustment received by CONTRACTOR from the suppliers/manufacturers or their agents in connections with defective equipment or material the cost of which was previously charged by the CONTRACTOR under the Contract;

d) rentals, refunds or other credits received by the CONTRACTOR which apply to any charge which has been made to the accounts under the Contract;

e) proceeds from all sales of surplus Materials charges to the account under the Contract, at the net amount actually collected.

2.14 No duplication of charges and credits

Notwithstanding any provision to the contrary in this Accounting Procedure, it is the intention that there shall be no duplication of charges or credits in the accounts under the Contract.

ARTICLE 3 - FINANCIAL REPORTS TO THE MOGE

3.1 The reporting obligations provided for in this Part shall apply to the CONTRACTOR and shall be in the manner indicated hereunder.

3.2 The CONTRACTOR shall submit to MOGE within thirty (30) days of the end of each Quarter:

3.2.1 A report of expenditure and receipts under the Contract analyzed by budget item showing:

a) actual expenditure and receipts for the Quarter in question;

b) actual cumulative expenditure to date;

c) latest forecast of cumulative expenditure at Year end; and

d) variances between budget, and actual expenditure and explanations thereto.

3.2.2 A cost recovery statement containing the following information:

a) recoverable Petroleum Costs brought forward from the previous Quarter, if any;

b) recoverable Petroleum Costs incurred during the Quarter;

c) total recoverable Petroleum Costs for the Quarter, i.e a) plus b) above;

d) quantity and value of Cost Petroleum taken and separately disposed of by the CONTRACTOR for the Quarter;

e) amount of Petroleum recovered for the Quarter; and

f) amount of recoverable Petroleum Costs to be carried forward into the next Quarter, if any.

3.3 After the commencement of production the CONTRACTOR shall, within thirty (30) days after the end of each month, submit a production report to the MOGE showing for each Development and Production Area the quantity of Petroleum:

a) held in stocks at the beginning of the month

b) produced during the month

c) lifted, and by whom;

d) lost and consumed in Petroleum Operations, and

e) held in stocks at the end of the month.

3.4 A lifting Party shall submit, within thirty (30) days after the end of month, a report to the MOGE stating the quantities and sales value of each Petroleum sales made in that month.

ANNEXURE "D" PARENT COMPANY GUARANTEE

This Annexure "D" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. ("CONTRACTOR") as stated and referred to in Section 5.4 of this Contract.

LETTER OF PARENT COMPANY GUARANTEE

Date: , 2014.

We hereby absolutely and unconditionally guarantee to the Myanma Oil and Gas Enterprise, Ministry of Energy, the Government of the Republic of the Union of Myanmar that the CONTRACTOR Party ("..................................") is financially sound and technically competent and shall perform the tasks such as funding necessary capital, assets and supplying machinery, equipment, tools, technicians, specialists and discharge of expenditure obligations undertaken by it through the Tanintharyi Offshore Block M-17 Production Sharing Contract, for the exploration, extraction and development work of the Tanintharyi Offshore Block M-17 and we irrevocably undertake that if the CONTRACTOR fails to perform its minimum expenditures commitments under Section 5.2, we shall, following receipt of a demand from the Myanma Oil and Gas Enterprise, incur such expenditure to ensure that the minimum expenditure commitment are met.

Notwithstanding anything to the contrary contained or implied herein, our liability under this guarantee shall not exceed an amount equal to Ninety (90) percent of the aggregate value of its minimum expenditure commitment expressly provided for under Section 5.2 less Ninety (90) percent of the expenditure already incurred by the CONTRACTOR with respect to its minimum expenditure commitment.

This guarantee shall be effective from the date of signing of the Production Sharing Contract and shall remain in force to the successive limited periods and up to the last exploration period if extended by the consent of the contracting parties in accordance with Section 5.2 (a) to (g) and 5.3 of this Contract.

For and on behalf of

____

ANNEXURE "E" MANAGEMENT PROCEDURE

This Annexure "E" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2014.

MANAGEMENT PROCEDURE

1. MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programme. To obtain the benefits of mutual co-operation and to co-ordinate their efforts under the Contract, a "Management Committee" shall be established consisting of four (4) representatives appointed by MOGE, one whom shall act as Chairman of the Management Committee and three (3) representatives appointed by CONTRACTOR.

2. The initial appointment of representatives to the Management Committee shall be made by MOGE and by CONTRACTOR, by notice given to the other within thirty (30) days from the Commencement of the Operation Date, advising the names of their respective representatives and such appointments may be changed thereafter from time to time by similar notice from the changing Party to the other.

3. All decisions required to be taken by the Management Committee shall be taken by the unanimous vote of the representatives present at the meeting, it being understood that no such decisions shall be valid unless at least one representative of MOGE and one representative of the CONTRACTOR is present at the meeting. Decisions taken by the Management Committee shall be recorded in minutes signed on behalf of both MOGE and CONTRACTOR and shall be binding on the Parties hereto.

4. The Management Committee shall meet whenever required by MOGE or by CONTRACTOR, subject to 15 days prior notice to its members which notice shall include the agenda for the meeting.

5. The Management Committee shall have the following functions and responsibilities under this Contract.

   a) To provide the opportunity for and to encourage the exchange of information, views, ideas and suggestions regarding plans, performances and results obtained under the Contract.

   b) To review and approve Work Programmes and Budgets proposed by CONTRACTOR, taking into consideration any revisions thereto proposed by MOGE and further revision by both Parties.

   c) To co-ordinate on all technical, financial, administrative and policy matters of interest to both Parties.

d) In case of Discovery of Petroleum to review and approve any proposal for the appraisal and development of such discovery.

e) To consider and act upon recommendations made to the Management Committee by its sub-committees.

f) To co-operate towards implementation of the Contract in accordance with its terms.

6. To facilitate the discharge of its functions, the Management Committee shall appoint sub-committees composed of representatives of both MOGE and the CONTRACTOR such as but not limited to:

a) Technical Sub-committee to review and consult upon Work Programme and any variation thereof, to supervise all safety procedures to be used in the conduct of Petroleum Operations, to advise the Parties on the progress of the current Work Programme pertaining to exploration, development and production and to perform any other task that the Parties may describe by common agreement.

b) Procurement Sub-committee to review and recommend the international tender being applied for purchase of equipment and the selection of sub-contractors and supplies of services for Petroleum Operations hereunder.

c) Accounting Sub-committee to review the incomes and expenditures related to Petroleum Operations in accordance with this Contract and any questions arising thereto.

d) Petroleum Valuation Sub-committee to set the value, the International Market Price FOB Myanmar per barrel of Crude Oil for purpose of Cost Recovery and division of net sales proceeds. The valuation shall be based upon inquiries made by MOGE and CONTRACTOR internationally for the specific type of quality of Crude Oil such as API gravity, sulphur content, viscosity, pour point, etc. The valuation of Natural Gas will be determined at Delivery Point to gas buyer.

ANNEXURE "F" MEMORANDUM ON PARTICIPATION

This Annexure "F" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2015

MEMORANDUM ON PARTICIPATION

The Draft Operating Agreement between CONTRACTOR and MOGE referred to in Section 19.3 shall embody, inter alia, the following main principles:

1. CONTRACTOR shall be the sole Operator of the venture under properly defined rights and obligations.

2. Authorized representatives of both Parties shall meet periodically for the purpose of conducting the venture's operations. All decisions shall be taken by majority vote except in case of terminating the main Contract which decision shall require the unanimous consent of both Parties. However if either of the Parties wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. Both Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

4. The Operator shall prepare the annual Work Programme and Budgets which shall be submitted to the authorized representative of both Parties for decision prior to their submission to MOGE in accordance with the provisions of the main Contract.

5. In respect of any exploratory drilling operation other than exploratory drilling operations required, or which may serve, to fulfill the minimum work obligations, defined in Section 5 of the Contract , a "Sole Risk" provision shall be made which assure either Party that it does not have to participate in such operation if it were to disagree to the inclusion of such operation in the Work Programme and Budget and which in case of success adequately compensates the Sole Risk Party for the cost and risk incurred by the latter.

6. Subject to adequate lifting tolerances each Party shall offtake at CONTRACTOR's point of export its production entitlement. However, if MOGE is not in a position to market such quantity wholly or partly it shall in respect of the quantity which it cannot market itself have the option under an adequate notification procedure; either to require CONTRACTOR to purchase that quantity, or to lift that quantity at a later date under an adequate procedure within the period of time defined in such related procedures.

7. If Natural Gas (associated gas and non-associated gas) is encountered in commercial quantities, special provisions shall be drawn having due regard inter alia, to the long term character of Natural Gas Supply Contracts.

ANNEXURE "G"

This Annexure "G" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: 2014

PERFORMANCE BANK GUARANTEE

[SEAL]

Letter of Guarantee No.

………………..

………………..

Dear Sirs,

By order of …………………… Bank, and for account of ………………… we hereby issue a guarantee under their counter guarantee No…………dated ……… for Euro / US$ ……….. (Euro/US$ …………………….. only) as follows;-

WHEREAS THE **MYANMA OIL AND GAS ENTERPRISE**, NAY PYI TAW, MYANMAR (HEREINAFTER CALLED THE MOGE) HAS ENTERED INTO A PRODUCTION SHARING CONTRACT WITH BERLANGA MYANMAR PTE LTD. (HEREINAFTER CALLED THE CONTRACTOR) ON ………… FOR THE PETROLEUM OPERATIONS OF……. IN 3/BLOCK NO. M-8 DATED ……………… (HEREINAFTER CALLED THE PSC) AND IN THE EVENT, THE CONTRACTOR BECOMES LIABLE TO MOGE ANY SUM OR SUMS OF MONEY DUE TO THE FAILURE OF THE CONTRACTOR TO EXECUTE AND PERFORM. ITS MINIMUM EXPENDITURE COMMITMENT FOR IN THE PSC, 1/ WE HEREBY IRREVOCABLY AND UNCONDITIONALLY GUARANTEE TO PAY MOGE WITHIN (10) WORKING DAYS THE AMOUNT EQUAL TO TEN (10) PERCENT OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC CLAIMED BY MOGE, 2/ **ON YOUR FIRST WRITTEN DEMAND ACCOMPANIED BY YOUR WRITTEN DECLARATION** THAT THE CONTRACTOR HAS 3/ **FAILED TO EXECUTE AND PERFORM ANY OF THE OBLIGATIONS** UNDER THE TERMS AND CONDITIONS OF THE AFORESAID CONTRACT.

1/ The Obligation of Guarantee

2/ Condition of Beneficiary's Demand

3/ Guarantee Amount, Contract No., Expiry, Condition of Beneficiary's Demand if failed to comply with contract terms

OUR LIABILITY HEREUNDER IS NOT TO EXECEED IN THE AGGREGATE THE SUM OF 3/ EURO/US$ ..../- (...................................... ONLY) BEING THE TEN PERCENT (10 PERCENT) OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC. A DEMAND FOR REFUND AMOUNT SHALL BE MADE IN WRITING AND SUBSTANTIATED WITH RESPECTIVE DOCUMENTS.

THIS PERFORMANCE BANK GUARANTEE ISSUE IN THE FORM OF BANK GUARANTEE BY US. ON THE ACCOUNT OF THE CONTRACTOR, SHALL BE EXPIRED THREE (3) YEARS FROM THE DATE OF ISSUE OF THIS 3/PERFORMANCE GUARANTEE.

ALL CLAIMS UNDER THIS GUARANTEE MUST BE RECEIVED BY US IN MYANMAR ON OR BEFORE THE EXPIRY DATE, AFTER WHICH THIS GUARANTEE SHALL BE VOID AND NO CLAIM FOR PAYMENT SHALL BE PERMITTED OR ENTERED BY US NOTWITHSTANDING THAT THIS GUARANTEE MAY NOT HAVE BEEN RETURNED TO US FOR CANCELLATION.

THIS GUARANTEE IS NOT TRANSFERABLE OR ASSIGNABLE.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. BY ACCEPTANCE HEREOF, YOU IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE SINGAPORE COURTS.

Our liability under this Guarantee is limited to the sum of EURO/US$ .... /- (EURO/$ ....only) and any claim hereunder must be submitted in writing to this office, during normal banking hours, within the validity of this guarantee.

This guarantee must be returned to us for cancellation as soon as it expires.

Yours faithfully,

COUNTERSIGNED FOR MYANMA FOREIGN TRADE BANK

MANAGER
FINANCING & GUARANTEE DEPT

ASSISTANT MANAGER
GUARANTEE DEPT

နောက်ဆက်တွဲ(င)

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ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၂)/ ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၂၁ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ကိစ္စ

ရည် ညွှန်း ချက်။ ယင်း၏ ၈-၇-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၁၂ /၃၂၂ / ထ(၅၇၇ / ၂၀၁၄)

ကမ်းလွန်လုပ်ကွက် ၂၀ တွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ပထမအကြိမ် ကမ်းလွန်လုပ်ကွက်များအတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုထားသော Selected Candidates ကုမ္ပဏီများအား ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းနှင့်စပ်လျဉ်း၍ ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်ရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

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နောက်ဆက်တွဲ (စ)

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(၁၂၊၅၀)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
ပြည်ထောင်စုရှေ့နေချုပ်ရုံး
နေပြည်တော်

စွမ်းအင်စီမံရေးဦးစီးဌာန
စာအမှတ်
ရက်စွဲ
Energy Planning Department

စာအမှတ်၊ ၂ (၅) ၈ - ၂၄၀ /နပတ(၁၀၇၉)
ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ ၇ ရက်

အကြောင်းအရာ။ တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် M-17 နှင့် M-18 တို့ တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက်ချုပ်ဆိုမည့် Production Sharing Contract (မူကြမ်း) ၂ ရပ်အပေါ် သဘောထားမှတ်ချက်ပေးပါရန်ကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၉-၁၁-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၁၀ /ထ (၇၉၅ /၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ကမ်းလွန်လုပ်ကွက်များဖြစ်သော တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများဆောင်ရွက်ရန် အတွက် Reliance Industries Limited ၊ မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd နှင့် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE) တို့အကြား ချုပ်ဆို ဆောင်ရွက်မည့် Production Sharing Contract for the Exploration and Production of Petroleum (PSC)(မူကြမ်း) ၂ ရပ် အပေါ် သဘောထားမှတ်ချက်ပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် မေတ္တာရပ်ခံ လာသောကိစ္စဖြစ်ပါသည်။

၂။ ပေးပို့လာသော စာချုပ်(မူကြမ်း) ၂ ရပ်တွင် လုပ်ကွက်တည်နေရာများကွဲပြားခြားနားသော်လည်း လုပ်ငန်းဆောင်ရွက်မည့်ကုမ္ပဏီများမှာတူညီပြီး စာချုပ်ပုံစံများမှာလည်း အချို့အချက်များမှလွဲ၍ပုံစံတစ်မျိုး တည်းရေးသားပြုစုထားသဖြင့် တစ်ပေါင်းတည်းစိစစ်အကြံပြုထားပါသည်။

၃။ ပူးတွဲပေးပို့လာသော စာချုပ်(မူကြမ်း)များကို ဥပဒေရှုထောင့်မှ လေ့လာစိစစ်ပြီး အောက်ပါအတိုင်း သုံးသပ်အကြံပြုအပ်ပါသည် -

(က) ပေးပို့လာသည့် ရည်ညွှန်းချက်ပါစာတွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ချုပ်ဆိုမည့်ကုမ္ပဏီမှာ Reliance Industries Limited နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd ဟု ဖော်ပြထားသော်လည်း စာချုပ်(မူကြမ်း)များ မျက်နှာဖုံးနှင့် စာချုပ်တစ်စောင်လုံးတွင် United National Resources Development Services Co., Ltd ဟု သာ ဖော်ပြထားပါသည်။ ချုပ်ဆိုမည့် ကုမ္ပဏီ၏အမည်မှန်ကန်မှုရှိစေရန် ဌာနမှပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ခ) စာချုပ်(မူကြမ်း)များပါ စာပိုဒ်များ၌ ရည်ညွှန်းထားသော Section များနှင့် စာမျက်နှာများမှန်ကန်မှုရှိစေရန် ဌာနမှ ပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း)များ စာချုပ်ဝင်များစာပိုဒ်အောက်တွင် ဖော်ပြထားသော "စာချုပ်ဝင်များသည် တစ်ဦးချင်းသော်လည်းကောင်း၊ ပူးတွဲ၍သော်လည်းကောင်း တာဝန်ရှိကြောင်းစာပိုဒ်ကို Section 17.2 Contractor ၏ Obligations တွင် စည်းကမ်းချက်တစ်ရပ်အဖြစ် ထည့်သွင်းသင့်ပါသည်၊

(ဃ) စာချုပ်(မူကြမ်း)များ Section 1 Definitions၊ အပိုဒ် 1. 21 Development and Production Operations နှင့် 1.28 Exploration Operations တို့၏ အဓိပ္ပာယ်ဖွင့်ဆိုချက်၌ "within or outside the Contract Area" ဟု လည်းကောင်း၊ အပိုဒ် 8 Development and Production ၊ အပိုဒ်ခွဲ

8.3 (b) ၌ Development Plan ထဲတွင် Contract Area အတွင်းသာမက Contract Area ပြင်ပ (----within and outside of the Contract Area)ပါ ပါဝင်သည်ဟုလည်းကောင်း ဖော်ပြထားသည်ကိုတွေ့ရှိရပါသည်။ Development Plan, Production Exploration သည် Annexure A နှင့် B တွင်ဖော်ပြထားသော Contract Area အတွင်း၌သာဆောင်ရွက်ရမည် ဖြစ်ပါသော ကြောင့် "outside of the Contract Area"ဟူသော စာသားကို ပယ်ဖျက် သင့်သည်ဟုယူဆပါသည်၊

(င) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 3.4တွင် Study Period ပြီးဆုံးသည့်အချိန်တွင် Exploration Operations ကိုဆက်လက်ဆောင်ရွက်ခြင်းမပြုရန် Contractor က ဆုံးဖြတ်ပါက ဌာနသို့ Study Period မပြီးမီ(၁၅)ရက် ကြိုတင်အကြောင်း ကြား စာရေးသားပေးပို့ပြီး Contractor ဘက်မှစာချုပ်အားရုပ်စဲနိုင်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(စ) စာချုပ်(မူကြမ်း)များ အပိုဒ် 2.6 နှင့် အပိုဒ် 11.1 တို့တွင် Contractor သည် လုပ်ငန်းစတင်သည့်နေ့မှ နောက်ရက်ပေါင်း(၃၀)အတွင်း Data Fee ပေးရမည်ဖြစ်ကြောင်းဖော်ပြထားပါသည်။ လုပ်ငန်းမစတင်နိုင် လျှင် Data Fee မရနိုင်သည်ကို ဌာနအနေဖြင့် သတိပြုသင့်ပါသည်၊

(ဆ) စာချုပ်(မူကြမ်း)များအပိုဒ် 11.2 Signature Bonus တွင် Section 3.4 အရ Contractor သည် စာချုပ်ရုပ်စဲရန် အခွင့် အရေးကိုကျင့်သုံးခဲ့ခြင်းမရှိပါက Contractor သည်ကနဦးတူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်ပြီးသည့်နေ့မှ နောက်ရက်ပေါင်း ၃၀ အတွင်း Signature Bonus ပေးမည်ကြောင်းဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး ၁၂ လအတွင်း ဆောင်ရွက်

ရန်ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကိုစတင်သဖြင့် လုပ်ငန်းစတင်သည့်နေ့မှ ၁၂လကြာသည်အထိ Signature Bonus မရနိုင်သည့်သဘောဖြစ်နေသည်ဟု ယူဆပါသဖြင့်လည်းကောင်း၊ အပိုဒ် 3.4 အရ Contractor သည် စာချုပ်ကိုရပ်စဲရန် အခွင့်အရေးကိုမကျင့်သုံးပါမှ Signature Bonus ရနိုင်မည်ဖြစ်သဖြင့်လည်းကောင်း ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(ဇ) စာချုပ်(မူကြမ်း) များအပိုဒ်ခွဲ 12.7 တွင် ထုတ်လုပ်ရရှိသည့် သဘာဝဓာတ်ငွေ့များကို Contractor ဘက်က အသိအမှတ်ပြုသည့် ဈေးနှုန်း ဖြင့်သာ ရောင်းချရန် ဖော်ပြထားချက်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(ဈ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 14.2 တွင် Crude Oil ရောင်းချငွေများကို (၄၅)ရက်အတွင်း Contractor သို့ပေးချေရန်၊ အကယ်၍ (၄၅)ရက်ကျော်လွန်ပါက ဒဏ်ကြေးငွေအဖြစ် LIBOR Plus 3% ကို ဌာနက Contractor သို့ ထပ်ဆောင်းပေးရမည်ဖြစ်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှ သတိပြုသင့်ပါသည်၊

(ည) စာချုပ်(မူကြမ်း)များ Section 16 Title of Assets အပိုဒ် 16.2 ၏ ဒုတိယဝါကျ၌ Contractor သည် "copies of all data, information ----- outing and Petroleum စသည်တို့ကို မြန်မာနိုင်ငံအတွင်း သို့မဟုတ် ပြင်ပ(within or outside Myanmar)၌ လွတ်လပ်စွာသုံးစွဲနိုင်သည်" ဟူသော ဖော်ပြချက်နှင့်စပ်လျဉ်း၍ ဌာနအနေဖြင့် လက်ခံနိုင်ခြင်းရှိ မရှိ စိစစ်သင့်ပါသည်၊

(ဠ) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 17.1 တွင် MOGE မှဆောင်ရွက်ရန် စည်းကမ်းချက်များကိုဖော်ပြထားရာ ဌာနမှလက်ခံဆောင်ရွက်နိုင်ခြင်းရှိ မရှိ ကြိုတင်စိစစ်ထားသင့်ပါသည်၊

(ဋ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (s) နှင့် (t) တို့တွင် MOGE မှဆောင်ရွက်ပေးရန်ဖော်ပြထားသည့်စည်းကမ်းချက်များပါရှိကြောင်းတွေ့ရှိရသဖြင့်အဆိုပါ MOGE မှ ဆောင်ရွက်ရမည့်စည်းကမ်းချက်များကို အပိုဒ်ခွဲ 17.1 ရှိ MOGE ၏ အခွင့်အရေးနှင့် တာဝန်များခေါင်းစဉ်အောက်တွင်သာ ဖော်ပြသင့်ပါသည်၊

(ဌ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (w) တွင် Contractor သည် Petroleum Operations ကြောင့် အထူး သို့မဟုတ် သွယ်ဝိုက်၍ပေါ်ပေါက်လာမည့်ထိခိုက်ဆုံးရှုံးမှုများနှင့်စပ်လျဉ်း၍ MOGE သို့မဟုတ် Government သို့ တာဝန်မရှိကြောင်း ဖော်ပြထားချက်အား ဌာနမှသတိပြုသင့်ပါသည်၊

(ဎ) စာချုပ်(မူကြမ်း)များ Section 20 Force Majeure အပိုဒ်ခွဲ 20.2 တွင် "acts of public authorities" ဟု ဖော်ပြထားရာ ယင်းစကားရပ်အစား "act of government which is directly affect to the project" ဟု ရေးသားရန်သင့် မသင့် တစ်ဖက်စာချုပ်ဝင်နှင့် ညှိနှိုင်းသင့်ပါသည်၊

(ဏ) စာချုပ်(မူကြမ်း)များ Section 22 Consultation and Arbitration အပိုဒ် 22.5 တွင် စာချုပ်ဝင်အသီးသီးအနေဖြင့် အမိန့်၊ စီရင်ချက်၊ ဆုံးဖြတ်ချက် သို့မဟုတ် အခြားကုစားခွင့်တစ်ရပ်ရပ်ကို အကောင်အထည်ဖော်ခြင်းနှင့် စပ်လျဉ်းသောတောင်းဆိုမှုတစ်ခုခုအားစွန့်လွှတ်ကြောင်း စည်းကမ်းချက်နှင့် စပ်လျဉ်း၍ စာချုပ်ဝင်များ ၏ တရားစွဲဆိုနိုင်ခွင့်နှင့် တရားစွဲဆိုခံပိုင်ခွင့်တို့ကို

ထပ်မံဖော်ပြထားခြင်းဖြစ် သောကြောင့်ဥပဒေကြောင်းအရ ကန့်ကွက်ရန် မရှိပါ။ ဌာန၏စီမံခန့်ခွဲရေး တောင်အတွင်းမှ ဆုံးဖြတ်ရန်ဖြစ်ပါသည်၊

(တ) စာချုပ်(မူကြမ်း)များ Section 23 Banking နှင့် စပ်လျဉ်း၍ ဘဏ္ဍာရေး ဝန်ကြီးဌာနနှင့် ညှိနှိုင်းဆောင်ရွက်သင့်ပါသည်၊

(ထ) စာချုပ်(မူကြမ်း)များ Section 26 နှင့် Annexure C ပါ Accounting Procedure တို့နှင့်စပ်လျဉ်း၍ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘော ထားမှတ်ချက်ကို ရယူသင့်ပါသည်၊

(ဒ) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်က ၁၄-၈-၂၀၁၄ ရက်စွဲဖြင့် ထုတ်ပြန် ကြေငြာခဲ့သော အမိန့်ကြော်ငြာစာအမှတ် ၅၀/၂၀၁၄ "ပတ်ဝန်းကျင်ထိခိုက်မှု ဆန်းစစ်ချက်ရယူရန်လိုအပ်သည့် စီးပွားရေးလုပ်ငန်းအမျိုးအစားသတ်မှတ် ခြင်း" ၌ အမှတ်စဉ် ၂ တွင် "ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေတူးဖော် ထုတ်လုပ်ခြင်း၊ ရေနံချက်စက်ရုံ သို့မဟုတ် ရေနံဓာတုဗေဒစက်ရုံတည် ဆောက်အကောင်အထည်ဖော်ခြင်းလုပ်ငန်း" အား ဖော်ပြထားသည်ကို သိရှိ နိုင်ရန်အတွက် ဖော်ပြအပ်ပါသည်။

၄။ ဤစာချုပ်(မူကြမ်း) များကို ပြည်ထောင်စုရှေ့နေချုပ်ဥပဒေနှင့်အညီ ဥပဒေကြောင်း အရသာ ဥပဒေအကြံဉာဏ်ပေးခြင်းဖြစ်ပါသည်။ ဥပဒေရေးရာမဟုတ်သည့် စီမံရေးရာ၊ ဘဏ္ဍာ ရေးရာ၊ ကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များကို ဤရုံးအနေဖြင့် မှတ်ချက်ပေးရန်မရှိပါကြောင်းနှင့် ယင်းကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ သက်ဆိုင်ရာကျွမ်းကျင်သူများနှင့် ဆွေးနွေးညှိနှိုင်းဆောင်ရွက်ရန် အကြံပြု ပါသည်။

၅။ ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ ထုတ်လုပ်၊ ဝယ်ယူရောင်းချခြင်းလုပ်ငန်းနှင့် သဘာဝဓာတ်ငွေ့ထွက်ပစ္စည်းများ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်းသည် နိုင်ငံတော်ပိုင် စီးပွားရေး လုပ်ငန်းများဥပဒေပုဒ်မ ၃ အရ နိုင်ငံတော်အစိုးရကသာ နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်း အဖြစ်

ဆောင်ရွက်နိုင်ခွင့်ရှိသဖြင့် ယခုစာချုပ်(မူကြမ်း)ပါ လုပ်ငန်းများကို ဆောင်ရွက်နိုင်ရန် ဖော်ပြပါ ဥပဒေပုဒ်မ ၄ အရ အစိုးရအဖွဲ့၏ အမိန့်ကြော်ငြာစာဖြင့် ခွင့်ပြုချက်ရယူရန် လိုအပ်မည်ဖြစ်ပါသည်။

၆။ Reliance Industries Limited နှင့် United National Resources Development Services Co., Ltd တို့သည် သက်ဆိုင်ရာနိုင်ငံများ၏ဥပဒေအရ တရားဝင်ဖွဲ့စည်းထားသော ကုမ္ပဏီများဟုတ် မဟုတ်၊ စာချုပ်များပါ လုပ်ငန်းကို လုပ်ကိုင်နိုင်ခွင့်နှင့် လုပ်ကိုင်နိုင်စွမ်းရှိ မရှိ၊ ငွေကြေးအင်အားပြည့်စုံမှုရှိ မရှိ၊ စာချုပ်များတွင်လက်မှတ်ရေးထိုးမည့်သူများသည် တရားဝင်လွှဲအပ်ခြင်းခံရသူများ ဟုတ် မဟုတ် စသည်တို့အတွက် သက်ဆိုင်ရာစာရွက်စာတမ်း များတောင်းယူစိစစ်သင့်ပါသည်။

၇။ ဤ စာချုပ်(မူကြမ်း) ၂ ရပ်ကို လက်မှတ်ရေးထိုးပြီးပါက မှတ်တမ်းတင်ထားနိုင်ရန်အတွက် ဤရုံးသို့ မိတ္တူ (၃) စောင်စီပေးပို့ပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

၈။ ဤ အကြံပြုချက်ကို လျှို့ဝှက်အဆင့် သတ်မှတ်ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)
(မေသီလင်း ၊ ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

စွမ်းအင်ဝန်ကြီးဌာန

မိတ္တူ - ရုံးလက်ခံ / မျှောစာတွဲ

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

ပြည်ထောင်စုရှေ့နေချုပ်ရုံး

စာအမှတ်၊ စဆ - ၈ / ၁၆၁ (၃၈၈ / ၂၀၁၄)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ (၄) ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တွင် ချုပ်ဆိုမည့် စာချုပ်မူကြမ်းနှင့်စပ်လျဉ်း၍ သဘောထားမှတ်ချက် တောင်းခံခြင်းကိစ္စ

ရည်ညွှန်းချက် ။ လိပ်မူပါရုံး၏ ၂၀-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၁၀/ထ(၇၉၅/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အိန္ဒိယသမ္မတနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Reliance Industries Limited နှင့် ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်တွင် မှတ်ပုံတင်ထားသည့် မြန်မာတိုင်းရင်းသားပိုင် United National Resources Development Services Co;Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ်မူကြမ်းအပေါ် သဘောထားမှတ်ချက် ပြန်ကြားပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် ညှိနှိုင်းမေတ္တာရပ်ခံလာပါသည်။

၂။ သို့ဖြစ်ပါ၍ Section-26 ပါ Books and Accounts and Audits နှင့် Annexure "C" ပါ Accounting Procedure များနှင့်စပ်လျဉ်း၍ ဤရုံးမှ သဘောထားမှတ်ချက် ဖော်ပြရန်မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုရှေ့နေချုပ်(ကိုယ်စား)

(မျိုးမြင့်၊ ဒုတိယရှေ့နေချုပ်)

မိတ္တူ

နိုင်ငံတော်သမ္မတရုံး

သမ္မတဦးစီးရုံး

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

ရုံးလက်ခံ

မျှော

၁၈

နောက်ဆက်တွဲ(ဓ)

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်အစိုးရ
ဘဏ္ဍာရေးဝန်ကြီးဌာန
ဝန်ကြီးရုံး

စာအမှတ်၊ ဘ၁ - ၁ /၂၇၄ (၃၁၉၆၆ /၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ ၃၁ ရက်

ပြည်ထောင်စုဝန်ကြီး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **သဘောထားမှတ်ချက်ပြန်ကြားခြင်းကိစ္စ**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၉-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/ ၉၁၀/ ထ (၇၉၅/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ Reliance Industries Limited နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd တို့အကြား လက်မှတ်ရေးထိုးမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)နှင့် ပတ်သက်၍ ဤဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်မှာ အောက်ပါအတိုင်း ဖြစ်ပါသည်-

(က) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ ခွင့်ပြုချက်ရယူရန် လိုအပ်ပြီး နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေနှင့် နည်းဥပဒေ၊ မြန်မာနိုင်ငံသားများ ရင်းနှီးမြှုပ်နှံမှုဥပဒေများနှင့်အညီ ဆောင်ရွက်သင့်ပါသည်။

(ခ) စာချုပ်မူကြမ်းအပိုဒ် (၂၃.၇) အရ ငွေပေးချေမှုများကို အမေရိကန်ဒေါ်လာဖြင့် ပေးချေရမည်ဟု ဖော်ပြထားရာ ငွေပေးချေမှု အဆင်ပြေစေရန် USD ဖြင့် ပေးချေရမည့်ဘဏ်နှင့် ငွေစာရင်းအမှတ်များ ကြိုတင်ညှိနှိုင်းထားသင့်ပါသည်။

(ဂ) အဆိုပါ စီမံကိန်းနှင့် ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာနမှ ရရှိသည့် ဝင်ငွေများအား သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်၏ ရသုံးခန့်မှန်းခြေငွေစာရင်းတွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပါသည်။

(ဃ) အဆိုပါစီမံကိန်းနှင့် ပတ်သက်၍ MOGE မှ ကျခံရမည့် အသုံးစရိတ်များရှိပါက သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်တွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပြီး အဆိုပါလျာထားချက်ကို ပြည်ထောင်စုလွှတ်တော်၏ အတည်ပြုချက်ရရှိမှသာ ကျခံသုံးစွဲနိုင်မည် ဖြစ်ပါသည်။

(င) အပိုဒ် (17) Rights and Obligation of MOGE and Contractor ခေါင်းစဉ်အောက်ရှိ အပိုဒ်ခွဲ 17.1 (b) (i) တွင် မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့် စက်ပစ္စည်းကိရိယာ တန်ဆာပလာများအတွက် ပေးဆောင်ရမည့် အခွန်အခများကို Contractor မှ ပေးဆောင်ရန်နှင့် MOGE မှ ကူညီဆောင်ရွက်ပေးရန်၊ အပိုဒ်ခွဲ 17.2(d) တွင် မြန်မာနိုင်ငံအတွင်း ကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် ကျသင့်သည့် အခွန်အခများအား Contractor မှ ပေးဆောင်ရန်ဟုဖော်ပြထားရာ မြန်မာနိုင်ငံအတွင်း တင်သွင်းလာသော စက်ပစ္စည်းကိရိယာတန်ဆာပလာများနှင့်ကိုယ်ပိုင်အသုံးပြုရန်တင်သွင်းသည့် မော်တော်ယာဉ်များအတွက် Contractor မှ ကျသင့်သည့် အခွန်အခများအား ပေးဆောင်ရာတွင် အကောက်ခွန်ဦးစီးဌာနမှ ပြဋ္ဌာန်းထားသည့် လုပ်ထုံးလုပ်နည်းများနှင့်အညီ ဆောင်ရွက်ရမည် ဖြစ်ပါသည်။

(စ) အပိုဒ်ခွဲ 17.1 (b)(iii) တွင် Contractor များမှ Personal use အဖြစ် တင်သွင်းလာသည့် ဆေးလိပ်၊ အရက်နှင့် အခြားပစ္စည်းများအပေါ်တွင် အကောက်ခွန်နှင့် အခြားအခွန်အခများအား ပေးဆောင်ခြင်းမပြုရန်အတွက် MOGE မှ ကူညီဆောင်ရွက်ပေးရန်ဟု ဖော်ပြထားရာ အဆိုပါ Personal use အဖြစ် တင်သွင်းလာသည့်ပစ္စည်းများနှင့်ပတ်သက်၍ အကောက်ခွန်ဦးစီးဌာန၏ ၁၀-၈-၂၀၁၂ ရက်စွဲပါ အမိန့်ကြော်ငြာစာအမှတ်၊ ၅၇-က-၂၀၀၇ ဖြင့် ထုတ်ပြန်ထားသည့် ခရီးသည်ကိုယ်သုံးဝန်စည်များကိုသာ အခွန်ကင်းလွတ်ခွင့် ရရှိမည် ဖြစ်ပါသည်။

(ဆ) အပိုဒ် 17.0 (g) နှင့် (h)တို့တွင် လုပ်ငန်းအတွက် လိုအပ်၍ တင်သွင်းလာသော ပစ္စည်းများနှင့် ငှားရမ်းအသုံးပြုသည့်ပစ္စည်းများ မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့်အခါ Draw Back စနစ်ဖြင့် တင်သွင်းရန် ဟု ဖော်ပြထားရာ အဆိုပါ Draw Back စနစ်ဖြင့် တင်သွင်းလာမည့် ပစ္စည်းများနှင့် ပတ်သက်၍ ပင်လယ်ကြောင်းအကောက်ခွန်အက်ဥပဒေပုဒ်မ ၄၂ နှင့် အကောက်ခွန်ဦးစီးဌာန၏ အမြဲတမ်းအမိန့် (၂/၂၀၁၃) တို့အား လိုက်နာကျင့်သုံး ဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

(ဇ) အခွန်ဆိုင်ရာကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ တည်ဆဲအခွန်ဆိုင်ရာဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းများပါ ပြဋ္ဌာန်းချက်များနှင့်အညီ လိုက်နာဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

၂။ လိုအပ်သလို ဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး(ကိုယ်စား)
(ဒေါက်တာလင်းအောင် ၊ ဒုတိယဝန်ကြီး)

မိတ္တူကို-

မြန်မာ့နိုင်ငံခြားကုန်သွယ်မှုဘဏ်
ငွေတိုက်ဦးစီးဌာန
ပြည်တွင်းအခွန်များဦးစီးဌာန
အကောက်ခွန်ဦးစီးဌာန

နောက်ဆက်တွဲ(ဈ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန
ပြည်ထောင်စုဝန်ကြီးရုံး

စာအမှတ်၊ အမစ-၁/ ၃/ ၉ (မြဂြူ/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် နိုဝင်ဘာလ ၂၈ ရက်

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း) များအပေါ် သဘောထားပြန်ကြားခြင်း**

ရည်ညွှန်းချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၁-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ် ၀၀၈/ ၉၁၀/ ထ (၇၉၅/၂၀၁၄)

၁။ Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း)များအပေါ် အောက်ပါ သဘောထားမှတ်ချက် ပေးပို့အပ်ပါသည်-

(က) စာချုပ် (မူကြမ်း)များတွင် မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် Reliance Industries Lt.d နှင့် United National Resources Development Services Co., Lt.d တို့အကြား တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းများ ဆောင်ရွက်ရန် အတွက် လက်မှတ်ရေးထိုး ချုပ်ဆိုမည်ဖြစ်ကြောင်း ဖော်ပြပါရှိသည်။

(ခ) စာချုပ်(မူကြမ်း)များတွင် စာချုပ်ဝင်ကန်ထရိုက်တာကုမ္ပဏီတို့မှာ ဥပဒေအရ တရားဝင် ဖွဲ့စည်းတည်ထောင်ထားသော ကုမ္ပဏီ ဟုတ်-မဟုတ်၊ ငွေရေးကြေးရေး အထောက် အထား ခိုင်မာမှု ရှိ-မရှိ၊ တရားဝင် လက်မှတ်ရေးထိုးပိုင်ခွင့်ရှိသူ ဟုတ်-မဟုတ် ကုမ္ပဏီ ဆိုင်ရာ အထောက်အထားများနှင့် တိုက်ဆိုင်စိစစ်ရန် လိုအပ်ပါကြောင်း ဖော်ပြအပ် ပါသည်။

(ဂ) စာချုပ်(မူကြမ်း)များ ပုဒ်မ(၅)တွင် ကန်ထရိုက်တာကုမ္ပဏီမှ မြန်မာ့ရေနံနှင့် သဘာဝ ဓါတ်ငွေ့လုပ်ငန်းသို့ လုပ်ငန်းဆောင်ရွက်မှုဘဏ် အာမခံကြေး (PBG) ပေးသွင်းခြင်း၊ ပုဒ်မ(၁၇)တွင် ကန်ထရိုက်တာကုမ္ပဏီက ရေနံစတင်ရောင်းချိန်မှစ၍ ပေးဆောင်ရန် ရှိသော အခွန်အခများကို ပေးဆောင်မည်ဖြစ်ကြောင်း ဖော်ပြထားသဖြင့် သင့်မြတ်မှု ရှိပါသည်။

(ဃ) စာချုပ်(မူကြမ်း)များပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော် ဆောင်ရွက်ရာ တွင် တည်ဆဲ ပတ်ဝန်းကျင်ထိန်းသိမ်းရေး ဥပဒေ (၂၀၁၂) နှင့် မြန်မာနိုင်ငံရင်းနှီး မြှုပ်နှံမှု ကော်မရှင် (MIC)၏ အမိန့်ကြော်ငြာ စာအမှတ် (၁/၂၀၁၃) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(င) စာချုပ်(မူကြမ်း)များတွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းသည် ၁၉၈၉ ခုနှစ်၊ နိုင်ငံတော်ပိုင်စီးပွားရေးလုပ်ငန်းများဥပဒေ ပုဒ်မ (၃)၊ ပုဒ်မခွဲ

(ဂ)တွင် အကျုံးဝင်သက်ဆိုင်သဖြင့် ယင်းဥပဒေ ပုဒ်မ(၄) အရ ပြည်ထောင်စု အစိုးရအဖွဲ့က အမိန့်ကြော်ငြာစာ ထုတ်ပြန်၍ ခွင့်ပြုရန်လိုအပ်သည်ကို အကြံပြုအပ်ပါသည်။

(စ) စာချုပ်(မူကြမ်း)များတွင် ကမ်းလွန်လုပ်ကွက်များအရ ပင်လယ်ပြင်အတွင်း လုပ်ငန်း၏ စွန့်ပစ်ဆီ၊ ရေ၊ အမှိုက်များ အပါအဝင် စွန့်ပစ်ပစ္စည်း အမျိုးမျိုး စွန့်ပစ်ခြင်းကို အာဆီယံ အပါအဝင် အိမ်နီးချင်းနိုင်ငံများနှင့် နိုင်ငံတကာ လုပ်ထုံးလုပ်နည်းများ နှင့်အညီ လိုက်နာဆောင်ရွက်သင့်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဆ) စာချုပ်(မူကြမ်း)များပါ ကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ ပြည်ထောင်စုလွှတ်တော်ဆိုင်ရာ ဥပဒေကို ပြင်ဆင်သည့်ဥပဒေ (၂၀၁၄ခုနှစ်၊ ပြည်ထောင်စုလွှတ်တော်ဥပဒေ အမှတ် ၂) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

(ဇ) မြန်မာနိုင်ငံသည် Extractive Industry Transparency Initiative (EITI) အဖွဲ့ဝင်နိုင်ငံ ဖြစ်ပါသဖြင့် ဤစာချုပ်များပါ လုပ်ငန်းများကို ၂၀၁၃ ခုနှစ် EITI Standard နှင့်အညီ ဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါသည်။

(ဈ) စာချုပ်(မူကြမ်း)များအရ မိမိဘက်မှ ဆောင်ရွက်ပေးရမည့် ကိစ္စရပ်များ နှင့် လုပ်ငန်းကျွမ်းကျင်မှုဆိုင်ရာ ကိစ္စရပ်များ နှင့်စပ်လျဉ်း၍ နိုင်ငံတော်၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းစည်းကမ်းများ၊ လုပ်ထုံးလုပ်နည်းများနှင့် ညီညွတ်မှုရှိရန် လိုအပ်မည်ဖြစ်ပါသဖြင့် သက်ဆိုင်ရာလုပ်ငန်း အကောင်အထည်ဖော်မည့် ဌာန၊ အဖွဲ့အစည်းမှ တာဝန်ယူစိစစ်ရန် ဖြစ်ပါသည်။

၂။ စာချုပ် (မူကြမ်း)များပါ သတ်မှတ်ချက်များသည် မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားကုမ္ပဏီများအကြား ကမ်းလွန်လုပ်ကွက်များအတွက် လက်မှတ်ရေးထိုး ချုပ်ဆိုခဲ့သည့် Production Sharing Contract များပါ သတ်မှတ်ချက်များကို အခြေခံရေးဆွဲထားသည်ကို တွေ့ရှိရပါသဖြင့် သက်ဆိုင်ရာ စွမ်းအင်ဝန်ကြီးဌာနမှ သဘောတူ လက်ခံပါက ဤဝန်ကြီးဌာန အနေဖြင့် အထူးမှတ်ချက်ပြုရန် မရှိပါကြောင်း ဖော်ပြအပ်ပါသည်။

၃။ စာချုပ်များ လက်မှတ်ရေးထိုး ချုပ်ဆိုပြီးပါက မိတ္တူ (၃)စောင်ကို ဤဝန်ကြီးဌာနသို့ ပေးပို့ပေးပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

ဒုတိယဝန်ကြီး(ကိုယ်စား)
(တင်ကိုဝင်း၊ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

မိတ္တူကို

ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန
အမျိုးသားမှတ်တမ်းများမော်ကွန်းတိုက်ဦးစီးဌာန
ရုံးလက်ခံ/မျှောစာတွဲ

လျှို့ဝှက်

နောက်ဆက်တွဲ(ည)

၂၃

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်

စာအမှတ်၊ မဗဘ/ဘဏ်စိစစ်/၄(၄၂၉/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ ၅ ရက်

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း) များအပေါ် သဘောထားမှတ်ချက်ပြန်ကြားခြင်းကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၉-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၁၀/ထ (၇၉၅/၂၀၁၄)

တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE) နှင့် Reliance Industries Limited နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd. တို့အကြား လက်မှတ်ရေးထိုးချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)များအပေါ် ရည်ညွှန်းချက်ပါစာဖြင့် သဘောထားမှတ်ချက်တောင်းခံလာခြင်းနှင့်စပ်လျဉ်း၍ မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်၏ သဘောထားမှတ်ချက်အား အောက်ပါအတိုင်း ပြန်ကြားအပ်ပါသည်-

(က) Article 5.2 (c) တွင် ငွေပမာဏဖော်ပြချက်၌ စာသားနှင့်ဂဏန်း မတူညီသဖြင့် အမှန်တစ်ခုကိုသာ စာသား၊ ဂဏန်း ကိုက်ညီစေရန် ပြင်ဆင်ဖော်ပြရန်ဖြစ်ပါသည်၊

(ခ) Article 23.2 တွင် ပြည်တွင်းရှိ ဘဏ်တစ်ခု၌ Foreign Bank Account ဖွင့်လှစ်ပြီးဆောင်ရွက်မည်ဟု ဖော်ပြထားသဖြင့် နိုင်ငံခြားဘဏ်စာရင်းဖြစ်နေပြီး retain abroad ဟူသော စာသားပါရှိနေ၍ နိုင်ငံခြား၌ စာရင်းထားရှိမည့်သဘော သက်ရောက်နေပါသည်။ သို့ဖြစ်ရာ ပိုမိုရှင်းလင်းမှုရှိစေရန် အဆိုပါအပိုဒ် ၂၃.၂ တွင် ပါရှိသည့် "Foreign Bank Account" အစား "Foreign Currency Account" ဟု ပြင်ဆင်ဖော်ပြရန်နှင့် "retain abroad" စာသားအား ပယ်ဖျက်ရန်ဖြစ်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း)များ၏ Annexure G တွင် MOGE နှင့် စာချုပ်ချုပ်ဆိုမည့် Contractor ၏အမည်အား "BERLANGA Myanmar Pte.Ltd" ဟု မှားယွင်း ဖော်ပြထားသဖြင့် Contractor အမည်အမှန်ဖြစ်သော "Reliance Industries Limited နှင့် United National Resources Development Services Co.,Ltd." ဟု ပြင်ဆင်ဖော်ပြပြီးမှ စာချုပ်ချုပ်ဆိုရန်ဖြစ်ပါသည်။

ကိုးမင်း
ဒုတိယဉက္ကဋ္ဌ

လျှို့ဝှက်

၂၅

နောက်ဆက်တွဲ(ဌ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

သမ္မတရုံးဝန်ကြီးဌာန(၃)

စာအမှတ်၊ ၁၄ (၁) / ၁၄ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၁၉ ရက်

သို့

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

အကြောင်းအရာ။ ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ (၂ / ၂၀၁၅)၏မှတ်တမ်းကောက်နုတ်ချက် တင်ပြခြင်းကိစ္စ

၁။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီအစည်းအဝေး (၂ / ၂၀၁၅) ကို ၁၆ - ၁ - ၂၀၁၅ ရက်နေ့ (သောကြာနေ့)တွင် သမ္မတရုံးဝန်ကြီးဌာန(၃)၊ ရုံးအမှတ်(၁၄) အစည်းအဝေးခန်းမ၌ ကျင်းပပြုလုပ်ခဲ့ပါသည်။

၂။ အဆိုပါအစည်းအဝေး၌ ဆွေးနွေးခဲ့သည့် အကြောင်းအရာများ၏ ကောက်နုတ်ချက်များကို သိရှိနိုင်ပါရန် ပူးတွဲပါဇယားဖြင့် တင်ပြအပ်ပါသည်။

ဥက္ကဋ္ဌ

ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ

မိတ္တူကို

- နိုင်ငံတော်သမ္မတရုံး
- ပြည်ထောင်စုရွေးကောက်ပွဲကော်မရှင်
- ပြည်ထဲရေးဝန်ကြီးဌာန
- ကာကွယ်ရေးဦးစီးချုပ်ရုံး(ကြည်း)
- နယ်စပ်ရေးရာဝန်ကြီးဌာန
- နိုင်ငံခြားရေးဝန်ကြီးဌာန

လျှို့ဝှက်

စဉ်	တင်ပြသည့်ဝန်ကြီးဌာန	အကြောင်းအရာ	ဆုံးဖြတ်ချက်
၂၄။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ Reliance Industries Limited ၊ မြန်မာ တိုင်းရင်းသားကုမ္ပဏီ (UNRDS)တို့သည် တနင်္သာရီ ကမ်းလွန် လုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေ ခံစားရေး စာချုပ်များ (Production Sharing Contracts - PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်း အဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၂၅။	စွမ်းအင်ဝန်ကြီးဌာန	Horizontal Directional Drilling (HDD) တွင်းတူးစက်တွင် တွဲဖက်အသုံးပြုရသည့် Vector Magnetic လမ်းညွှန်စနစ် အသုံးပြုခနှင့် နှစ်စဉ်ကြေးအတွက် ကျသင့်ငွေ ပေးချေခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်း အဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၂၆။	စက်မှုဝန်ကြီးဌာန	မြို့င်ကလေးရာဘာခြံ၊ ဝါးဘိုးတောစိုက်ကွက်မြေ (၁၉.၃၀)ဧကနှင့် အဆောက်အဦများအား နိုင်ငံတော်သို့ ပြန်လည်အပ်နှံခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်း အဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၂၇။	စက်မှုဝန်ကြီးဌာန	အာရှဖွံ့ဖြိုးမှုဘဏ်(ADB)မှ နည်းပညာအထောက်အပံ့ပေးမည့် ကျေးလက်ဒေသ လျှပ်စစ်မီးရရှိရေး စီမံကိန်းအတွက် ပြည်ပမှ Solar Home System (SHS)ပစ္စည်းများ တင်သွင်းရာတွင် အခွန်အခ အရပ်ရပ် ကင်းလွတ်ခွင့်ပြုပါရန် တင်ပြခြင်း။	ဘဏ္ဍာရေးဝန်ကြီးဌာနမှ ချမှတ်ထားသော အခွန်မူဝါဒများနှင့်အညီ ဆောင်ရွက်ပေးရန်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၁) / ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၂၀ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ခွဲဝေခံစားရေး စာချုပ်များ ချုပ်ဆို လုပ်ကိုင်ခွင့်ကိစ္စ**

ရည် ညွှန်း ချက် ။ ယင်း၏၈-၁-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ဝဝ၈/၉၁၀/ထ(၂၃/၂၀၁၅)

မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အိန္ဒိယနိုင်ငံမှရေနံကုမ္ပဏီ Reliance Industries Limited၊ မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ(UNRDS)တို့အား တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-17နှင့် M-18 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန် အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ်များ (Production Sharing Contracts -PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းအား လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက် သွားရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

သမ္မတရုံးဝန်ကြီးဌာန(၃)

သမ္မတရုံးဝန်ကြီးဌာန(၅)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

စွမ်းအင်ဝန်ကြီးဌာန

(ဝန်ကြီးရုံး)

အကြောင်းအရာ။ မှတ်တမ်းကောက်နုတ်ချက်ပေးပို့ခြင်း

ရည်ညွှန်းချက်။ (၁) စွမ်းအင်ဝန်ကြီးဌာန၏ ၃၀-၁-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၀၀၈ / ၉၁၀ / ထ(၇၅/၂၀၁၅)

(၂) ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး၏ ၂၆-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၃၅/၂၅၇/ အဖရ(၄/၂၀၁၅)

အထက်ရည်ညွှန်း(၁)ပါစာဖြင့် တင်ပြထားသော စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ Reliance Industries Limited၊ မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd တို့သည် တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ(Production Sharing Contracts- PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန် တင်ပြခြင်းကိစ္စနှင့်ပတ်သက်၍ ၁၃-၂-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စုအစိုးရအဖွဲ့ အစည်းအဝေးအမှတ်စဉ်(၄/၂၀၁၅)မှ သဘောတူပါကြောင်း ရည်ညွှန်း(၂)ပါစာဖြင့် အကြောင်းကြားလာပါသဖြင့် လိုအပ်သလိုဆက်လက်ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

(လက်မှတ်)

ဒုတိယဝန်ကြီး(ကိုယ်စား)

(ဌေးအောင်၊ရုံးအဖွဲ့မှူး)

သို့ စွမ်းအင်စီမံရေးဦးစီးဌာန

စာအမှတ်၊ ၅-၂ စွမ်းအင်(၁) (၇၉၈) ၂၀၁၅

ရက်စွဲ ၊ ၂၀၁၅ ခုနှစ်၊ မတ်လ ၅ ရက်

၆
၃.၂၀၁၅

လျှို့ဝှက်

(ပူးတွဲ-၄)

တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-18 ၌ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အိန္ဒိယနိုင်ငံ မှ Reliance Industries Limited နှင့် မြန်မာနိုင်ငံမှ United National Resources Development Services Co., Ltd. တို့သည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်ကို လက်မှတ်ရေးထိုးချုပ်ဆိုမည် ဖြစ်ပါသည်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု
ပြုလုပ်ရန် ကမကထပြုသူ၏ ဆောင်ရွက်ရန်
အဆိုပြုချက်

PROPOSAL OF THE PROMOTER TO MAKE
FOREIGN INVESTMENT IN THE
REPUBLIC OF THE UNION OF MYANMAR

Form (I)

Proposal Form of Promoter for the Investment to be made in the Republic of the Union of Myanmar

To.

Chairman,

Myanmar Investment Commission,

Reference No. 008/911/P(756 /2015)

Date. 11 March, 2015.

I do apply for the permission to make investment in the Republic of the Union of Myanmar in accordance with the Foreign Investment Law by furnishing the following particulars-

1. Promoter's-

(a)	Name	DIRECTOR GENERAL.
(b)	Father's name	ENERGY PLANNING DEPARTMENT.
(c)	National Registration No.	MINISTRY OF ENERGY.
(d)	Citizenship	MYANMAR.
(e)	Address	BUILDING NO.6, NAY PYI TAW, MYANMAR.
(f)	Name of principle organization	MINISTRY OF ENERGY.
(g)	Type of business	PETROLEUM EXPLORATION AND DEVELOPMENT.
(h)	Principle company's address	BUILDING NO.6, NAY PYI TAW, MYANMAR.

2. If the investment business is formed under Joint Venture, partners-

(a)	Name	RELIANCE INDUSTRIES LTD. + UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.
(b)	Father's name	RELIANCE INDUSTRIES LTD. + UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

(c) National Registration No. INDIA + MYANMAR

(d) Citizenship INDIA + MYANMAR

(e) Address -

(i) Address in Myanmar - UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD., NO. 35, ZAYYA THUKHA 3RD STREET, BLOCK 54, THUWANA, THINGANKYUN TOWNSHIP, YANGON.
FAX: : +95 1 570 366

(ii) Residence abroad RELIANCE INDUSTRIES LTD., RELIANCE CORPORATE PARK, BUILDING 12 B, SECOND FLOOR, GHANSOLI, THANE BELAPUR ROAD, NAVI MUMBAI, INDIA– 400 701, INDIA
FAX: +91 22 2760 0606

(f) Parent company - RELIANCE INDUSTRIES LTD.,
- UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

(g) Type of business PETROLEUM.

(h) Parent company's address - RELIANCE INDUSTRIES LTD., RELIANCE CORPORATE PARK, BUILDING 12 B, SECOND FLOOR, GHANSOLI, THANE BELAPUR ROAD, NAVI MUMBAI, INDIA– 400 701, INDIA
FAX: +91 22 2760 0606

- UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD., NO. 35, ZAYYA THUKHA 3RD STREET, BLOCK 54, THUWANA, THINGANKYUN TOWNSHIP, YANGON.
FAX: : +95 1 570 366

Remark: The following documents need to attach according to the above paragraph (1) and (2):-

(1) Company registration certificate (copy);
(2) National Registration Card (copy) and passport (copy);
(3) Evidences about the business and financial conditions of the participants of the proposed investment business;

3. Type of proposed investment business -
   - (a) Production PETROLEUM
   - (b) Service business related with manufacturing
   - (c) Service
   - (d) Others

Remark: Expressions about the nature of business with regard to the above paragraph (3)

4. Type of business organization to be formed:-
   - (a) One hundred percent
   - (b) Joint Venture
     - (i) Foreigner and citizen RELIANCE INDUSTRIES LTD. 96%, UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. 4%
     - (ii) Foreigner and Government department/organization IN COMMERCIAL PRODUCTION PERIOD MYANMA OIL AND GAS ENTERPRISE 20%, THE REST 80% (RELIANCE INDUSTRIES LTD. 76.8 %, UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. 3.2%)
   - (c) By contractual basis
     - (i) Foreigner and citizen
     - (ii) Foreigner and Government department/organization

     (to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

Remark: The following information needs to attach for the above Paragraph(4):-
- (i) Share ratio for the authorized capital from abroad and local, names, citizenships, addressed and occupations of the directors;
- (ii) Joint Venture Agreement (Draft) and recommendation of the Union Attorney General Office if the investment is related with the State;
- (iii)Contract (Agreement) (Draft)

5. Particulars relating to company incorporation -
   - (a) Authorized Capital
   - (b) Type of share PRODUCTION SHARING CONTRACT.
   - (c) Number of shares

Remark: Memorandum of Association and Articles of Association of the Company shall be submitted with regard to above paragraph 5.

6. Particulars relating to capital of the investment business-

		Kyat/US$ (Million)
(a)	Amount of local capital to be contributed	-
(b)	Amount of foreign capital To be brought in	91.45 MMUS$
	Total	**91.45 MMUS$**

(c) Annually or period of proposed capital to be brought in - 2015 to 2022

(d)	Last date of capital brought in	2022
(e)	Proposed duration of investment	7 Year
(f)	Commencement date of construction	2015
(g)	Construction period	2015 to 2022

Remark: Describe with annexure if it is required for the above Para 6(c).

7. Detail list of foreign capital to be brought in -

		Foreign Currency (Million)	Equivalent Kyat (Million)
(a)	Foreign currency (Type and amount)	91.45 MMUS$	
(b)	Machinery and equipment and Value (to enclose detail list)	WILL BE FURNISHED LATER.	
(c)	List of initial raw materials and Value (to enclose detail list)		
(d)	Value of licence, intellectual Property, industrial design, trade mark, patent rights, etc.		
(e)	Value of technical know-how		
(f)	Others		
	Total	**91.45 MMUS$**	

Remark: The evidence of permission shall be submitted for the above para 7 (d) and (e).

8. Details of local capital to be contributed -

Kyat (Million)

(a) Amount

(b) Value of machinery and equipment
(to enclose detail list) WILL BE FURNISHED LATER.

(c) Rental rate for building / and

(d) Cost of building construction

(e) Value of furniture and assets
(to enclose detail list) WILL BE FURNISHED LATER.

(f) Value of initial raw material requirement
(to enclose detail list)

(g) Others

Total ________________

9. Particulars about the investment business –

(a) Investment location(s)/place OFFSHORE BLOCK M-18

(b) Type and area requirement for land or land and building

(i) Location TANINTHARYI OFFSHORE AREA

(ii) Number of land/building and area

(iii) Owner of the land

(aa) Name/company/department

(bb) National Registration Card No.

(cc) Address

(iv) Type of land

(v) Period of land lease contract

(vi) Lease period

(vii) Lease rate

(aa) Land

(bb) Building

(viii) Ward

(ix) Township

(x) State/Region

(xi) Lessee

(aa) Name/Name of Company/Department

(bb) Father's name

(cc) Citizenship

(dd) ID No./Passport No.

(ee) Residence Address

Remark: Following particulars have to enclosed for above Para 9(b)

(i) to enclose land map, land ownership and ownership evidences ;

(ii) draft land lease agreement, recommendation from the Union Attorney General if the land is related to the State ;

(c) Requirement of building to be constructed;

(i) Type/number of building

(ii) Area

(d) Product to be produced/Service

(i) Name of product

(ii) Estimate amount to be produced annually

(iii) Type of service CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(iv) Estimate value of service annually

Remark: Detail list shall be enclosed with regard to the above para 9 (d).

(e) Annual requirement of materials/raw materials.

Remark: According to the above para 9(e) detail list of products in terms of type of products, quantity, value, technical specifications for the production shall be listed and enclosed.

(f) Production system

(g) Technology

(h) System of sales EXPORT & DOMESTIC SALES TO MYANMA OIL AND GAS ENTERPRISE

(i) Annual fuel requirement
(to prescribe type and quantity)

(j) Annual electricity requirement OWN GENERATOR

(k) Annual water requirement
(to prescribe daily requirement, if any)

10. Detail information about financial standing -

(a) Name/company's name RELIANCE INDUSTRIES LTD., AND UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

(b) ID No./ National Registration Card No./Passport No.

(c) Bank Account No.

Remark: To enclose bank statement from resident country or annual audit report of the principle company with regard to the above para 10.

11. Number of personnel required for the proposed economic activity:

(a) Local personnel ( ) number ( )%
WILL BE FURNISHED LATER.

(b) Foreign experts and technicians ( ) number ( )%
WILL BE FURNISHED LATER.

(Engineer, QC, Buyer, Management, etc. based on the nature of business and required period)

Remark: As per para 11 the following information shall be enclosed:-

(i) Number of personnel, occupation, salary, etc;
(ii) Social security and welfare arrangements for personnel;
(iii) Family accompany with foreign employee ;

12. Particulars relating to economic justification :-

		Foreign Currency	**Equivalent Estimated Kyat**	
	STUDY Period (1 Yrs)	Initial Exploration Period (3Yrs)	1st Extension Period (2Yrs)	2nd Extension Period (1Yr)
(a) Annual income		-	-	
(b) Annual expenditure (MMUS$)	1.00	30.80	28.30	23.30
(c) Annual net profit				
(d) Yearly investments (MMUS$)	1.00	30.80	28.30	23.30
(e) Recoupment period		-	-	
(f) Other benefits (to enclose detail calculation)		-		

13. Evaluation of environmental impact:- WILL BE FURNISHED LATER.

(a) Organization for evaluation of environmental assessment;

(b) Duration of the evaluation for environmental assessment; EIA/SIA

6 MONTHS (0.10 MMUS$)

(c) Compensation programme for environmental damages

(d) Water purification system and waste water treatment system;

(e) Waste management system;

(f) System for storage of chemicals

14. Evaluation on social impact assessments; WILL BE FURNISHED LATER.

(a) Organization for evaluation of social impact assessments;

(b) Duration of the evaluation for social impact assessments; EIA/SIA

6 MONTHS

(c) Corporate social responsibility programme;

Signature

Name U Pe Zin Tun

Designation Director General

Energy Planning Department

နောက်ဆက်တွဲ(က)

JOINT BIDDING AGREEMENT

between

RELIANCE INDUSTRIES LIMITED

AND

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES COMPANY LIMITED

relating to

MYANMAR OFFSHORE BIDDING ROUND 2013

TABLE OF CONTENTS

THIS JOINT BIDDING AGREEMENT is made the 11th day of November 2013 between:

Reliance Industries Limited, having its registered office at Maker Chambers IV, 3rd floor, 222, Nariman Point, Mumbai 400 021, India (hereinafter referred to as "RIL" which expression shall include unless repugnant to the context or contrary to the meaning thereof, its administrators and/ or successors);

AND

United National Resources Development Services Company Limited, a company incorporated in Myanmar whose registered office is at No.35, Zayya Thukha 3rd St, Blk (54) Thuwana, Thingangyun Township, Yangon, Myanmar (hereinafter referred to as "UNRD" which expression shall include unless repugnant to the context or contrary to the meaning thereof, its administrators and/ or successors).

WHEREAS

A. The Government (hereinafter defined) has invited bids from interested parties to acquire Contracts (hereinafter defined) for the exploration of oil and natural gas in blocks under the Invitation for Bids to Conduct Petroleum Operations in Myanmar Offshore Areas (2013) ("Bid Round");

B. The Parties (hereinafter defined) are interested in jointly submitting one or more Bids (hereinafter defined) as part of the Bid Round for the purpose of working together and jointly pursuing the award of Contracts in the Selected Blocks (hereinafter defined) and share acquisition costs and minimize the individual risks, expenses, and investments related to the evaluation, exploration and/or development of petroleum operations in respect of any Selected Block; and

C. The Parties desire to establish their respective interests, rights, benefits, obligations and liabilities pertaining to their evaluation of the Blocks (hereinafter defined), the submission of one or more joint Bids in respect of the Selected Blocks (hereinafter defined) and any other transaction contemplated hereunder.

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS

"Affiliate" means, in relation to a Party, a company, partnership or other legal entity which controls, or is controlled by the Party, or which is controlled by an entity, which controls the Party. Control means the ownership, directly or indirectly, (i) in case of RIL, of more than fifty (50%) percent; or (ii) in case of UNRD of hundred (100%) percent; of the shares or voting rights in a company, partnership or legal entity. Further, with respect to any natural person, the term "Affiliate" shall include such individual's spouse, children and estate planning vehicles.

"Agreement" means this joint bidding agreement together with the Appendices appended hereto.

"Anti-Corruption Laws" means:

(a) the OECD Convention;

(b) the FCPA (meaning the Foreign Corrupt Practices Act of 1977 of the United States of America, as amended by the Foreign Corrupt Practices Act Amendments of 1988 and 1998, and as may be further amended and supplemented from time to time);

(c) the following United Kingdom laws, as may be amended and supplemented from time to time:

   (i) the Public Bodies Corrupt Practices Act 1889;

   (ii) the Prevention of Corruption Act 1906;

   (iii) the Prevention of Corruption Act 1916;

   (iv) the English common law offence of bribery; and

   (v) the Bribery Act 2010 and any regulations or guidance issued pursuant to such legislation; and

(d) applicable anti-bribery and anti-corruption laws made applicable by the Government;

and in the event that a person or any of its Associated Persons is outside the jurisdiction or scope of any such law, such law shall nevertheless be interpreted as if it applies to such person or Associated Person, as the case may be, as though such person or Associated Person were within the jurisdiction and scope of such law, provided, however, that this should not be construed to submit such person or Associated Person to the jurisdiction of these laws.

"Associated Person" means, in relation to a Party, any director, officer, employee, agents or contractors of that Party.

"Bid" means a bid application jointly made by the Parties pursuant to this Agreement in respect of a Selected Block.

"Bid Due Date" means the date on which Bids are due which presently is 15 November 2013, or such other date as may be announced and extended by the Government.

"Bid Round" has the meaning ascribed in the Recitals.

"Biddable Terms" means the terms, if any, to be included in any Bid for a Selected Block for submission by the Bid Due Date in the form and detail as specified in the Bid Round bidding procedures.

"Block" means a block made available or expected to be made available for petroleum operations by the Government in the Bid Round from amongst the Myanmar offshore exploration blocks shown in the Appendix I.

"Carried Party" means UNRD.

"Carry Period" means in relation a Contract and JOA, the period starting from the later of (a) date of signing of the Contract; or (b) effective date of the relevant Contract, and ending upon, the earlier of, (a) the duration of Initial Exploration Period including extensions thereof as provided in Section 3.4 of the Contract, (b) the date on which notification of first Commercial Discovery is made under the terms of the relevant Contract or (c) transfer, assignment or sale (directly or indirectly) by UNRD of its Participating Interest as provided in Section 8

"Commercial Discovery" has the same meaning as may be ascribed to it in the Contract.

"Contract" means a production sharing contract based on MPSC which shall be negotiated and/or executed between the Government and the Parties as a result of any Bid being accepted by the Government and awarded to the Parties in respect of a Selected Block.

"Effective Date" means the date as first written above.

"Government" means the Government of the Republic of the Union of Myanmar and any other ministry, agency or organization, department, office and/or bureau of the Government with jurisdiction over the Bid Round and the Blocks.

"Government Official" means, whether appointed, elected or otherwise any:

(a) officer or employee of a government or any department, agency or instrumentality of a government;

(b) person acting in an official capacity or exercising a public function for or on behalf of a country or territory (or any subdivision of such a country or territory) or a government or any department, agency, enterprise or instrumentality of a country or territory (or any subdivision of such a country or territory) or a government;

(c) officer or employee of a company or business which is majority owned or controlled by a government;

(d) officer, employee or agent of a public international organisation such as the World Bank or United Nations; and/or

(e) officer or employee of a political party or any person acting in an official capacity on behalf of a political party.

"Joint Operating Agreement ("JOA")" means the joint operating agreement as described in Article 7.3 hereof to be entered into by and between RIL and UNRD governing their relationship in respect of a Selected Block and/or the Contract, if applicable.

"MPSC" means applicable model production sharing contract for the Block(s) provided by the Government to prospective bidders as part of Bid Round documents.

"Operator" means the Party to be designated as operator in respect of any successful Bid awarded by the Government to the Parties and under any JOA or Contract, in accordance with Article 4 hereto.

"Participating Interest" means the undivided interest (expressed as a percentage of the total interests of all Parties) to be held by a Party in and to all the rights, benefits, obligations, liabilities and costs pursuant to this Agreement and, if applicable, any JOA or Contract, upon it becoming effective, in respect of any Selected Block.

"Parties" means the parties signatory to this Agreement including their administrators and/or successors and the term "Party" means either of the Parties.

"Selected Block" means a Block selected by RIL and with respect to which RIL decides to submit a Bid on behalf of the Parties in accordance with this Agreement.

2. SCOPE OF THE AGREEMENT

2.1 The scope and purpose of this Agreement is to set forth the terms and conditions under which the Parties shall conduct the evaluation of the Blocks and any submission of one or more joint Bids in respect of Selected Blocks as part of the Bid Round, including their relationship in respect of any successful Bid awarded by the Government to the Parties.

3. PARTICIPATING INTERESTS AND RESPONSIBILITIES

3.1 Subject to the terms of Section 19 of the MPSC (or similar provision of Contract) pertaining to State Participation, the Parties shall have the following Participating Interests under this Agreement and, if applicable, under any JOA or Contract, upon it becoming effective, in respect of any successful Bid:

RIL:	96%
CARRIED PARTY:	04%

3.2 Except as otherwise provided in this Agreement, all rights, benefits, obligations, liabilities and costs which arise or are related to this Agreement shall be borne or enjoyed by the Parties in accordance or proportion with their respective Participating Interests.

3.3 As between themselves, the rights, benefits, obligations, liabilities and costs of the Parties shall be several and not joint or collective, and each Party shall be responsible for its Participating Interest share of liability in respect of any claim by other parties.

3.4 It is not the intention of the Parties to create, nor shall this Agreement be deemed or construed to create, a mining or other partnership, joint venture, association or trust, or to authorise any Party to act as an agent, servant, or employee for the other Party.

3.5 For the avoidance of doubt, in the event that, following a Commercial Discovery, the Government exercises its rights under a Contract to acquire Participating Interest then the Participating Interests of each of the Parties who are parties to the Contract shall be reduced in proportion to their respective initial Participating Interests.

4. LEAD COMPANY AND OPERATOR

4.1 The Parties acknowledge that RIL shall lead the evaluation of the Blocks and in that capacity would decide on the terms to be included in the Bid, without any obligation to disclose the same.

4.2 Parties agree that RIL shall be designated as the Operator in respect of any successful Bid awarded by the Government to the Parties.

4.3 RIL, shall:

(a) prepare and collate any Bid in relation to any Selected Block such that it can be submitted pursuant to this Agreement and Bid Round bidding instructions;

(b) act as the lead communicator on behalf of the Parties in all discussions with the Government in connection with the activities relating to the submission of a Bid;

(c) act as the lead negotiator for the Parties in discussions with the Government to negotiate a Contract, and/or any associated agreement;

(d) in the event a Contract is executed, fulfill the role of Operator under the Contract and the JOA.

4.4 Neither Party shall be liable for and is hereby indemnified by the other Party (to the extent of the other Party's Participating Interest) in respect of any loss or damage incurred by the Parties:

(a) as a result of the Party designated as the Operator discharging its respective obligations under Articles 4.1, 4.2 and 4.3, as the case may be, howsoever arising (whether in contract or tort) and irrespective of its negligence (whether sole, joint, contributing, or concurrent), or strict liability; or

(b) in respect of the quality, accuracy, or suitability or outcome of a Bid submitted on behalf of the Parties pursuant to this Agreement

except to the extent that such loss or damage is attributable to the Gross Negligence/Wilful Misconduct of such indemnified Party. For purposes of this provision "Gross Negligence / Willful Misconduct" means any act or failure to act (whether sole, joint or concurrent) by any person or entity that was intended to cause, or was in reckless disregard of or wanton indifference to, harmful consequences such person or entity knew, or should have known, such act or failure would have on the safety or property of another person or entity.

4.5 Notwithstanding Article 4.4 and subject to Article 9, neither Party shall be liable to and hereby indemnifies the other Party for any loss of profit or revenue, loss of contract or business opportunity, any environmental or punitive loss or damage, or any indirect or consequential loss or damage of any kind or description howsoever arising (whether in contract or tort) and irrespective of negligence (whether sole, joint, contributing, or concurrent), or strict liability.

4.6 For the purposes of this Article 4, all limitations to any Party's liability shall extend to such Party's Affiliates, as well as to directors, officers, managers, employees, and agents of such Party's Affiliates who act on behalf of such Party to discharge the obligations in connection with the Bid and/or this Agreement.

5. GENERAL RIGHTS AND OBLIGATIONS OF PARTIES

5.1 UNRD shall make available to RIL all relevant data pertaining to the Blocks and which are generally available to it and can be disclosed without violating any obligations of confidentiality it has with third parties.

5.2 RIL may use the data and information disclosed to it under this Agreement to help it to further evaluate the Blocks.

5.3 Any disclosure or mutual use of intellectual property rights of a Party under this Agreement shall not be considered as a transfer or license of the said intellectual property rights and ownership of the same shall remain with the disclosing Party.

5.4 Neither Party makes any representations nor warranties, express or implied, as to the quality, accuracy and completeness of the technical data, information and interpretation disclosed hereunder by it to the other Party. Each Party, its Affiliates, its officers, directors and employees shall have no liability whatsoever with respect to the use of or reliance upon such technical data, information and interpretations disclosed by it hereunder to the other Party or such other Party's Affiliates.

5.5 The information and data exchanged pursuant to this Agreement shall be deemed to have equal value and no other consideration shall pass between the Parties for such exchange of information and data.

5.6 UNRD has represented that the UNRD, its directors and its shareholders/beneficial owners, its Affiliates or any of them are not persons listed on the specially designated nationals list of

any country and are not persons who are covered by any sanctions imposed by any country / region including but not limited to United States of America, European Union, Australia, Singapore etc.

5.7 UNRD has further represented that it is a prequalified local company of Myanmar for the purpose of bidding under Myanmar Offshore Blocks Bidding Round 2013 and has adequate financial and technical capabilities to perform its obligations under this Agreement, Contract and JOA.

6. BID ROUND BID PREPARATION PROCESS

6.1 The Parties acknowledge that it is their intention to potentially submit a joint Bid for upto a maximum of three (3) Selected Blocks (if any) subject to the terms set out herein Notwithstanding anything contained herein, Parties agree that nothing contained herein shall oblige RIL to shortlist a Block or submit a Bid in respect of a Selected Block.

6.2 Operator shall prepare and submit the Bid in respect of any Selected Block in a timely manner and no later than the Bid Due Date and UNRD hereby authorises Operator to prepare and submit the Bid on its behalf. UNRD shall provide to Operator all necessary information and assistance as required by Operator for inclusion in the Bid in accordance with the Bid Round bidding procedures.

6.3 A Party not wishing to participate in a Bid ("Withdrawing Party") may, at any time after the Effective Date, withdraw from the Bid by submitting a notice in writing to the other Party not later than two (2) days prior to the Bid Due Date. The withdrawal becomes effective when the other Party has received the notice of withdrawal, after which the Withdrawing Party shall not be entitled to participate in any matter relating to such Bid with any third party. The obligations and liabilities for which a Withdrawing Party remains liable are set out under Article 4.5, in respect of the period up to the effective date of withdrawal, and Article 8, in respect of costs, liabilities and expenses accrued or incurred up to the effective date of withdrawal.

6.4 If a Party decides to withdraw from a Bid, then in respect of such Bid, the non-Withdrawing Party is entitled to submit the Bid with a third party. The non-Withdrawing Party may also show any Confidential Information relevant to the Block corresponding to such Bid to any bona fide prospective bidder, provided however, that such prospective bidder agrees to to be bound by terms no less stringent than those set out in Articles 9 and 10. The non-Withdrawing Party may jointly submit a Bid with the prospective bidder for the corresponding Block.

7. CONTRACT AND JOA

7.1 In respect of a Contract and subject to Article 4, if a Bid is successful as part of the Bid Round, the Parties shall proceed to negotiate and enter into a Contract with the

Government. Under no circumstances shall RIL be obligated to accept a Contract which contains Biddable Terms or equivalent beyond those submitted by the Parties as their Bid. Thus, if, following the submission of any Bid, the Government notifies the Parties of alternative terms, then RIL shall propose a response to such alternative terms within the timeframe allowed under the circumstances.

7.2 The Parties agree that decision of RIL with respect to modification (or otherwise) of the relevant joint Bid shall be final and such decision will be acceptable to the Parties.

7.3 Only in respect of a successful Bid, after the Bid Due Date the Parties shall use reasonable endeavours to negotiate in good faith and agree the terms of and execute a JOA, with RIL preparing the draft which incorporates the heads of agreements agreed between the Parties as set out in Appendix II. The Parties acknowledge their intention is to execute a JOA at the time of the Government and the Parties executing the Contract for such successful Bid.

8. RIL'S CARRY OBLIGATIONS

8.1 In the event that pursuant to submission of Bid, Parties execute Contract(s) with the Government, then subject to the terms of the relevant Contract, relevant JOA, Clause 8.5 and 8.6 below, RIL shall be obliged to incur all the financial expenses in relation to Carried Party's four (4) Percent Participating Interest under the relevant Contract and relevant JOA during the Carry Period.

8.2 Upon completion of Carry Period, RIL shall promptly provide UNRD with a statement of cost and expenses which RIL may have incurred pursuant to Clause 8.1.

8.3 UNRD agrees that upon completion of Carry Period with respect to the relevant Contract and relevant JOA, it shall:

(a) Immediately start funding its financial obligations with respect to its Participating Interest share of costs associated with the relevant Contract and relevant JOA;

(b) Within sixty (60) days of receipt of statement of costs and expenses mentioned in Clause 8.2, be obliged to repay to RIL all the amounts which RIL may have incurred (including all non-recoverable costs under the Contract like Data Fee, Signature Bonus etc)on behalf of UNRD in terms of Clause 8.1 above in relation to the relevant Contract and JOA, together with an interest of ten (10) percent compounded annually calculated for the Carry Period.

8.4 In the event that UNRD is unable to repay to RIL, the amounts calculated by RIL in terms of Clause 8.2 within the timelines prescribed therein, then without prejudice to RIL's rights under the JOA and applicable law, UNRD shall be liable to pay to RIL an interest at the rate of eighteen (18) percent compounded annually for each day of delay. If UNRD is in continuos default for a period of ninety (90) days of its payment obligations hereunder or under the terms of the relevant Contract or relevant JOA, then RIL shall without prejudice to

its rights under the applicable laws, have the right to require UNRD to assign its Participating Interest in the relevant Contract and relevant JOA to RIL at no cost to RIL.

8.5 As a condition to RIL funding Carried Party's financial obligations pursuant to Clause 8.1 above, UNRD agrees not to assign its Participating Interest, directly or indirectly, under the relevant Contract and the relevant JOA to any third party either by way way of transfer of Participating Interest, sale of the shares of UNRD or its controlling entities, or otherwise. unless UNRD has offered to assign such Participating Interest to RIL on such terms as a third party may have proposed, and RIL has declined in writing to acquire Carried Party's Participating Interest.

8.6 In the event that RIL declines to acquire Carried Party's Participating Interest in terms of Clause 8.5 and UNRD assigns the same to a third party then RIL's obilgations under Clause 8.1 with respect to funding Carried Party's Participating Interest share of financial obligation shall immediately cease to exist and UNRD shall be obliged to pay all the amounts which RIL may have incurred on behalf of UNRD pursuant to Clause 8.1 above and computed in accordance with Clause 8.3 (b) above prior to assignment of Participating Interest to a third party.

9. EVALUATION, BID AND NEGOTIATION COSTS

Whether or not the matters contemplated herein shall be completed and/or successful, each Party shall pay and bear its own expenses and costs incurred, incidental and/or relating to the negotiation of this Agreement, evaluating the Blocks, participating in and submitting a joint Bid in respect of Selected Blocks, and/or preparing, negotiating and executing the JOA and/or the Contract, as the case may be, as well as all costs and expenses of its own personnel and related travel and accommodation costs. The cost of any evaluations and studies carried out by a Party prior to the Effective Date shall be solely borne by such Party. If any costs are agreed to be jointly shared by the Parties then such agreement shall be in writing and each Party will pay its Participating Interest share of such costs.

10. EXCLUSIVITY

10.1 Except as provided for in this Agreement, UNRD undertakes that it and its Affiliates shall only act with RIL to:

(a) enter into any arrangement or agreement; or

(b) make, participate in and/or submit any bid to the Government;

to acquire an interest in any of the Blocks.

10.2 Subject to RIL's acceptance and without prejudice to any other remedies that RIL may have, if the UNRD or its Affiliates acquires an interest in violation of this undertaking, then UNRD shall immediately notify the RIL and shall, upon RIL's request, assign or cause to be

assigned, all of the interest so acquired, to RIL for the same consideration paid by the UNRD or its Affiliate to the entity from whom that interest was acquired.

11. CONFIDENTIALITY

11.1 "Confidential Information" means any and all Biddable Terms, data, legal, financial, commercial, technical and other data, knowledge and information relating to the Blocks disclosed by one Party ("Disclosing Party") to the other ("Receiving Party"), including any and all information acquired, interpreted or developed pursuant to this Agreement. Confidential Information shall be held confidential by all Parties for a period of three (3) years from the termination of this Agreement.

11.2 The Receiving Party may disclose the Confidential Information without the prior written consent of the Disclosing Party to the extent such information:

(a) is already in the public domain or comes into the public domain other than through a breach of the terms of this Agreement by the Receiving Party or by any person to whom disclosure of the Confidential Information by the Receiving Party is permitted pursuant to Article 11.3; or

(b) is required to be disclosed under applicable law or by a government order, decree, regulation or rule binding upon the Receiving Party provided that, as soon as practicable, the Receiving Party shall give prior written notice to the Disclosing Party that such disclosure is required.

11.3 The Receiving Party may also disclose the Confidential Information without the prior written consent of the Disclosing Party to:

(a) the Receiving Party's Affiliates;

(b) the Receiving Party's and its Affiliates employees, contractors, consultants, translators, officers and directors who have a clear need to access such Confidential Information for the purpose of evaluating, negotiating or advising on matters arising out of or related to this Agreement; and

(c) such other persons who have a clear need to access it for the purpose of evaluating, negotiating or advising on matters arising out of or related to this Agreement.

11.4 Prior to making any disclosure of Confidential Information as permitted under Article 11.3 hereto, the Receiving Party will procure that the proposed recipient of such Confidential Information shall keep the Confidential Information confidential and shall not disclose or divulge the Confidential Information to any unauthorized person.

12. PRESS RELEASES

The Parties shall mutually agree the text of all public statements, including press announcements regarding this Agreement, the Contract or the JOA, as the case may be,

that are sought to be made by (or on behalf of) UNRD (or its Affiliate). RIL or any of its Affiliate shall not be prohibited from issuing or making any public announcement or statement regarding this Agreement, the Contract or the JOA, as the case may be, if it is necessary to do so in order to comply with any applicable law or the regulations of a recognised stock exchange or its corporate policies.

13. ASSIGNMENT

Except as otherwise provided in this Agreement, UNRD shall not assign either directly or indirectly, all or any part of its Participating Interest in this Agreement or in a Bid either by way of transfer of Participating Interest, sale of the shares of UNRD or its controlling entities, or otherwise, to any third party.

14. EFFECTIVE DATE AND TERMINATION

14.1 This Agreement shall take effect on the Effective Date and shall terminate forthwith upon the first to occur of any of the following events:

(a) immediately after the Bid Due Date in respect of Block(s) for which Bid is not submitted;

(b) where a Party withdraws from a Bid in accordance with Article 6.4 in which case this Agreement terminates in relation to such Selected Block;

(c) If the Parties are notified that a Contract has been signed by third parties in respect of a Selected Block for which a Bid was submitted or if a Bid on a Block is finally rejected by the Government, in which case this Agreement terminates in relation to such Block; or

(d) a JOA and Contract are executed in relation to a Block being awarded to the Parties by the Government, in which case this Agreement terminates in relation to such Block when the respective obligations of the Parties in Clause 8 have ceased to exist;

(e) 18 months from the Effective Date; or

(f) by mutual written agreement of the Parties.

14.2 Termination of this Agreement shall be without prejudice to the rights and obligations of the Parties existing as at the date of termination.

14.3 Notwithstanding the above provisions regarding termination of this Agreement or withdrawal by a Party under Article 6, each Party shall remain bound by the provisions of Articles 4.4, 4.5, 5.2, 5.3, 6.4, 8.5, 8.6, 9 (except in the case of termination pursuant to Articles 14.1(d) to 14.1(e)), 11, 12, 16, 17 and 18.

15. NON-WAIVER

No waiver by either Party of any provision of this Agreement, no consent to or departure therefrom shall be binding unless made expressly and confirmed in writing. Further, any

such waiver or consent shall relate only to such matter, non-compliance or breach as it expressly relates to and for the purpose for which it is given and shall not apply to any subsequent or other matter, non-compliance or breach. No default or delay on the part of either Party in exercising any rights, power or privilege hereunder shall operate as a waiver thereof or of any rights or remedies hereunder.

This Agreement may be amended or varied only by an instrument in writing executed by both Parties.

16. NOTICES

16.1 All notices authorised or required between the Parties shall be in writing, in English and delivered in person or by registered mail, by courier service or by facsimile followed by hard copy means of transmitting written communications which provides written confirmation of complete transmission, and addressed to such persons as designated below. Each Party shall have the right to change its address at any time and/or designate that copies of all such notices be directed to another person at another address by giving notice thereof to the other Party.

16.2 All notices shall also be copied by email to the recipient's email address as shown in Article 16.3 but failure to send such email shall not render ineffective a notice otherwise properly given under this Article 16.

16.3 The notices shall be sent to the following destinations:

Reliance Industries Limited

Attention:	Mr. Atul Laul
Address:	Reliance Corporate Park
	Building 12 B, Second Floor,
	Ghansoli
	Thane Belapur Road
	Navi Mumbai, India – 400 701
Facsimile:	+91 22 2760 0606
Email:	atul.laul@ril.com

With a copy to: Mr Jai Bhagwan Bansal (email: jai.bansal@ril.com)

United National Resources Development Services Company Limited

Attention: Mr. Kyaw Khine Thein

Address: No.35, Zayya Thukha 3rd St, Blk (54) Thuwana,

Thingangyun Township, Yangon, Myanmar

Facsimile: +95 1 570366

Email: kyawkhinethein@gmail.com

With a copy to: Mr Zin Maung Lun (zmaung.mm@gmail.com)

17. APPLICABLE LAW AND DISPUTE RESOLUTION

17.1 This Agreement, and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation, or otherwise) shall be governed by and construed in accordance with the laws of England and Wales.

17.2 All differences relating to or disputes arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination which cannot be amicably resolved by the Parties shall be referred to arbitration in accordance with the arbitration rules of the United Nations Chamber on International Trade Law ("UNCITRAL").

17.3 The arbitral tribunal shall consist of three arbitrators. Each Party shall appoint one arbitrator notifying the arbitrator of the differences/disputes to be adjudicated. The two arbitrators so appointed shall appoint the third arbitrator who shall act as the presiding arbitrator. The appointing authority for the purposes of the arbitration rules of UNCITRAL (should either party fail to appoint its arbitrator and/or if the arbitrators appointed by the Parties fail to appoint the presiding arbitrator within thirty (30) days) shall be the London Court of International Arbitration.

17.4 The presiding arbitrator shall not be of the same nationality as either Party.

17.5 The venue of arbitration shall be Singapore and English shall be the language of the arbitration proceedings.

17.6 The resulting arbitral award shall be final and binding without right of appeal, and judgement upon such award may be entered in any court having jurisdiction.

17.7 Each Party shall conduct all of its activities pursuant to this Agreement in compliance with all laws, rules, and regulations applicable to such Party.

17.8 The Parties hereby expressly exclude the application of laws of Myanmar to this Agreement. Furthermore, each Party shall not, and hereby waives any right to, approach the courts in Myanmar for interim protective relief before or during the pendency of

arbitration proceedings, or after the tribunal has made an award but before judgement on that award is given by a court of competent jurisdiction.

18. ANTI-CORRUPTION

18.1 Each Party hereby undertakes to the other that neither it nor its Associated Persons shall:

(a) engage in any activity, practice or conduct relating to the activities under this Agreement which would constitute a violation of, or an offence under the Anti-Corruption Laws; and

(b) pay, offer, promise or authorise the payment, directly or indirectly, of any monies or anything of value to any Government Official for the purpose of improperly influencing any act or decision of such official or to improperly induce any Government Official to use his or her influence with a government or instrumentality thereof, to obtain or retain business or direct business to any person in connection with the activities under this Agreement.

18.2 Each Party shall respond promptly, and in reasonable detail, to any notice from the other Party or its auditors pertaining to the above stated warranty representation and shall furnish documentary support for such response upon request from the other Party.

19. COUNTERPART

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes, provided neither Party shall be bound by the terms of this Agreement unless and until both Parties have executed a counterpart. For purposes of assembling all counterparts into one document, either Party is authorised to detach the signature page from one counterpart and, after signature thereof by the respective Party, attach each signed signature page to a counterpart.

20. ENTIRETY

20.1 This Agreement represents the entire understanding of and agreement between the Parties in relation to the matters dealt with herein and supersedes all previous proposals, undertakings and agreements by and between the Parties, whether oral or written, in relation thereto.

20.2 No promise, inducement, representation or agreement, other than as expressly set forth herein, has been made to or by the Parties.

20.3 If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, such provision or part shall, to that extent, be deemed not to form a part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

WITNESS the hand of the duly authorised representative of the Parties.

For and on behalf of

Reliance Industries Limited

RELIANCE INDUSTRIES LTD. Petroleum (E&P) NAVI MUMBAI

Name: Mr. Atul Laul

Title: President – Strategy & Business Development

Witness: Mr. Mahesh Sikaria

For and on behalf of

United National Resources Development Services Company Limited

Name: Mr. Kyaw Khine Thein

Title: Director

Witness: Mr. Zin Maung Lun

APPENDIX – I: MYANMAR OFFSHORE EXPLORATION BLOCKS

No.	Block	Area	Type of Contract
Offshore Shallow Water Blocks			
1	A-4	Rakhine Offshore Area	PSC
2	A-5	Rakhine Offshore Area	PSC
3	A-7	Rakhine Offshore Area	PSC
4	M-4	Moattama Offshore Area	PSC
5	M-7	Moattama Offshore Area	PSC
6	M-8	Moattama Offshore Area	PSC
7	M-15	Tanintharyi Offshore Area	PSC
8	M-16	Tanintharyi Offshore Area	PSC
9	M-17	Tanintharyi Offshore Area	PSC
10	M-18	Tanintharyi Offshore Area	PSC
11	YEB	Tanintharyi Offshore Area	PSC
Offshore Deep Water Blocks			
1	AD-2	Rakhine Offshore Area	PSC
2	AD-3	Rakhine Offshore Area	PSC
3	AD-4	Rakhine Offshore Area	PSC
4	AD-5	Rakhine Offshore Area	PSC
5	AD-9	Rakhine Offshore Area	PSC
6	AD-10	Rakhine Offshore Area	PSC
7	AD-11	Rakhine Offshore Area	PSC
8	AD-12	Rakhine Offshore Area	PSC
9	AD-13	Rakhine Offshore Area	PSC
10	AD-14	Rakhine Offshore Area	PSC
11	AD-15	Rakhine Offshore Area	PSC
12	AD-16	Rakhine Offshore Area	PSC
13	MD-1	Moattama Offshore Area	PSC
14	MD-2	Moattama Offshore Area	PSC
15	MD-3	Moattama Offshore Area	PSC
16	MD-4	Tanintharyi Offshore Area	PSC
17	MD-5	Tanintharyi Offshore Area	PSC
18	MD-6	Tanintharyi Offshore Area	PSC
19	YWB	Tanintharyi Offshore Area	PSC

APPENDIX – II: HEADS OF JOINT OPERATING AGREEMENT

Parties shall endeavor to execute a JOA no later than 30 days after relevant Contract becomes effective and agree that the following principles shall be suitably incorporated in the JOA:

1. RIL shall be the sole Operator of the venture under properly defined rights and obligations and Operator shall not be held solely responsible for any costs, liabilities, losses or obligations arising out of Operator's conduct of Petroleum Operations on behalf of the Operator and any such costs, liabilities or obligations shall be borne by the Parties in their respective Participating Interest ratios.

2. Upon RIL's written request, authorized representatives of both Parties shall meet for the purpose of reviewing the status of venture's operations. Operator shall be entitled to take all operational decisions relating to conduct of Petroleum Operations in the relevant Selected Block(s) for which Contract has been signed. If non-Operator wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. The Operator is obligated to represent the parties before the Government provided however that each non-operator shall upon Operator's written request be represented at such meetings provided that the Operator shall act as spokesperson.

4. RIL shall have the right to appoint all the CONTRACTOR's (as defined in the Contract) nominated members of the Management Committee (as defined in the Contract) under the Contract and RIL may request UNRD to join the management committee meetings as an observer.

5. At Operator's request, an Operating Committee comprising of representatives of each Party shall be formed and matters before the Operating Committee require the affirmative vote of the Parties having, in the aggregate, Participating Interests of at least Fifty One (51%) percent.

6. Except as otherwise agreed, Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

7. The Operator shall prepare the annual work programme and budgets for submission to MOGE in accordance with the provisions of the Contract and at its discretion provide the same to non-Operators for information purposes only.

8. Any Party shall have the right to withdraw from any relevant Contract and the JOA, by giving at least 90 days prior written notice and discharge of the minimum work obligations under the Contract and all obligations represented in the current work program and budget.

9. UNRD shall not assign either directly or indirectly, all or any part of its Participating Interest in this Agreement or in a Bid either by way of transfer of Participating Interest, sale of the shares of UNRD or its controlling entities, or otherwise, to any third party without prior written approval of RIL. RIL shall have a right of first refusal over UNRD's Participating Interest.

10. Applicable Law – English, excluding any conflicts of law rules.

11. Arbitration - UNCITRAL Rules. Venue: Singapore.

12. Parties shall ensure that upon State Participation in terms of Section 19 of MPSC, JOA is amended to incorporate the requirements of Annexure F of the MPSC.

13. Parties shall consider if the provisions of Clause 8 of this Agreement are required to be incorporated in the relevant JOAs or a separate agreement in which case Clause 8 shall cease to be in effect.

Accounting Procedue to JOA:

Operator shall be entitled to charge the Joint Account all costs relating directly to Joint Operations which shall include, without limitation:

(a) Payments under the PSC.

(b) Direct on-site full time and temporarily assigned personnel, including salaries and wages, benefits, customary allowances, and governmental assessments of Operator's employees directly engaged for the benefit of Joint Operations.

(c) Services performed by the Operator or the Operator's Affiliates (including technical, professional and management personnel not located within Myanmar). All charges relating to such services shall be contained in each annual budget, shall be subject to the approval of all parties and shall be in accordance with generally accepted international petroleum industry practices.

(d) The cost of consultants, contract services and utilities procured from the third parties.

(e) Relocation and Transportation expenses incurred in accordance with Operator's established policies.

(f) Material Purchases.

(g) Insurance Premiums (if obtained for the Joint Account).

(h) Local administration and field office costs.

(i) Unless covered under the Joint Account insurance policies, damages and losses to Joint Property.

(j) Warehouse handling.

(k) Overhead Charges – 4% of the annual capex.

(l) Material Acquisitions/Transfers and Inventories.

Condition A Material - valued at current new price

Condition B Material - valued at 75% of current new price

Condition C Material - valued at 50% of current new price

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR SHALLOW WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks	
1.	Contract Area	**Block - M18** Tanintharyi Offshore Area	
2.	Area of Block	13,374 Sq. Km	
3.	Water Depth	250 ft - 3000 ft	
4.	Type of Contract	**Production Sharing Contract (PSC)**	
5.	Preparation Period (EIA/SIA/EMP)	- **6 months** (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. **Min. Expenditure** = 100,000 US$	
		{Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}	
6.	Data Fee	500,000 US$ (Payment within 30 days after commencement of the Study Period)	
7.	Study Period	- **12 months** - Study of existing G&G data and reprocessing where necessary	**Min. Expenditure** 1,000,000 US$
		{Contractor will have the option to back-off after 12 months Study Period}	
8.	Signature Bonus	7,000,000 US$ (Payment within 30 days after entering into the Exploration Period.)	
9.	Exploration Period (Minimum Work Commitment and Expenditure)	- 3 years	**Min. Expenditure**
		Year 1 - 2D Seismic API of 1,150 LKM. The Contractor has sole discretion to conduct this earlier in the Study (TEA) Period and get the same credited under Section 5.6 towards work commitment in Section 5.2 (b) to (g)	1,500,000 US$
		Year 2 - 3D Seismic Acquisition, Processing & Interpretation of 600 SQKM data	6,000,000 US$
		Year 3 - Prospect evaluation and Drill 1 (one) well	23,300,000 US$
		Total	30,800,000 US$
		{Contractor will have the option to back-off after 3 years Exploration Period}	
		1st Extension Period (2 years)	**Min. Expenditure**
		Year 4 - 3D Seismic Acquisition, Processing, Interpretation of 500 SQKM data	5,000,000 US$
		Year 5 - Prospect evaluation and Drill 1 (one) well	23,300,000 US$
		Total	28,300,000 US$
		{Contractor will have the option to back-off after 2 years 1st Extension Period}	
		2nd Extension Period (1 year)	**Min. Expenditure**
		Year 6 - Prospect evaluation and Drill 1 (one) well	23,300,000 US$
		{Contractor may enter into Production Period upon commercial discovery}	
10.	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.	
11.	Royalty	12.5% of Available Petroleum.	
12.	Cost Recovery	50% of all Available Petroleum for water depth 600 feet or less 60% of all Available Petroleum for water depth more than 600 feet	
13.	Profit Split *(Profit Petroleum Allocation)*	See tables below	

Crude Oil

Water Depth	*600 feet or less*		*more than 600 feet*	
BOPD	**MOGE(%)**	**CONT(%)**	**MOGE(%)**	**CONT(%)**
0 - 25,000	60	40	60	40
25,001 - 50,000	65	35	65	35
50,001 - 100,000	80	20	75	25
100,001 - 150,000	85	15	80	20
above 150,000	90	10	85	15

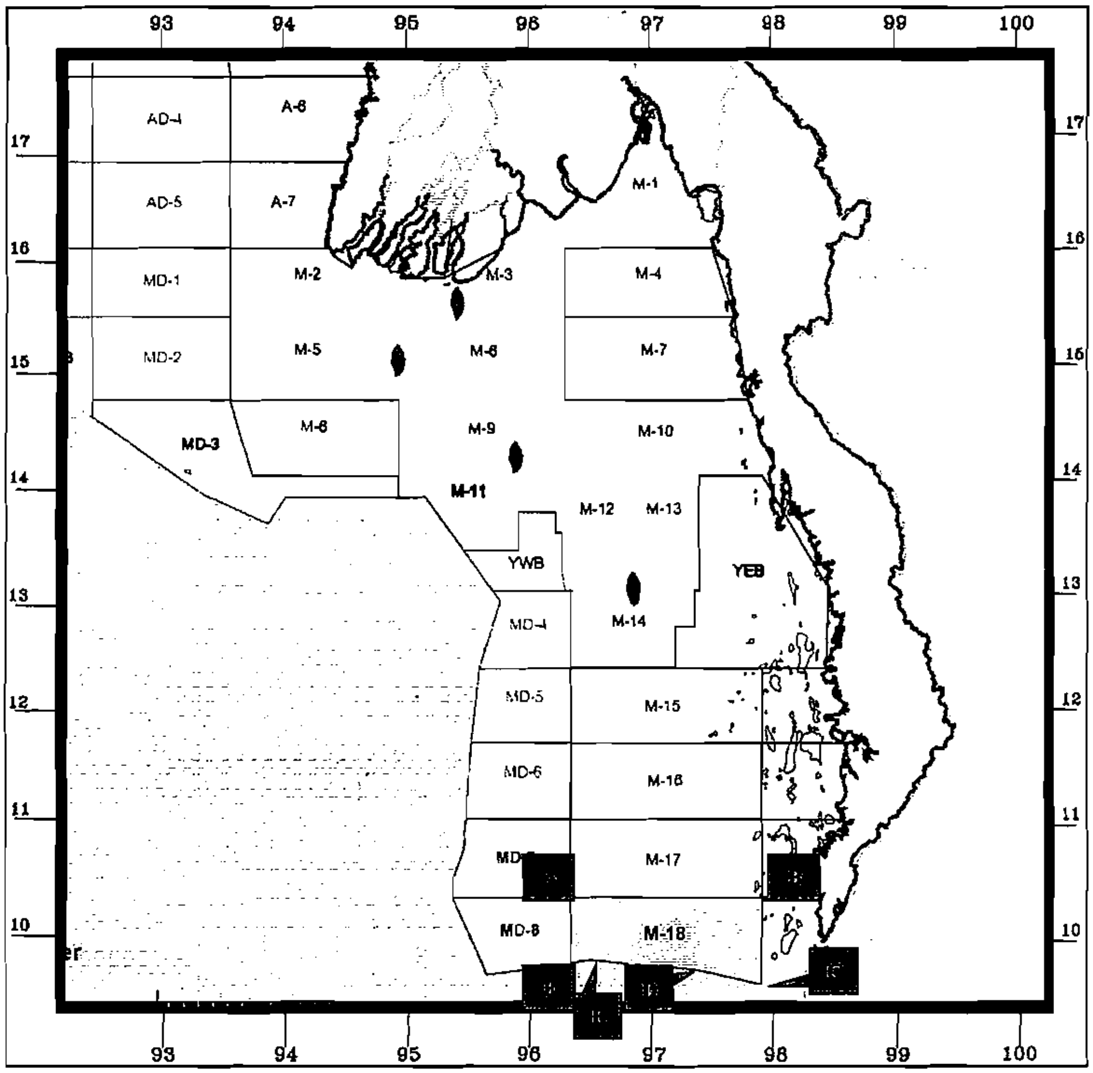
Natural Gas

Water Depth	*600 feet or less*		*more than 600 feet*	
MMCFD	**MOGE(%)**	**CONT(%)**	**MOGE(%)**	**CONT(%)**
0 - 300	65	35	60	40
301 - 600	75	25	70	30
601 - 900	85	15	80	20
above 900	90	10	90	10

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR SHALLOW WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks
14.	Production Bonus	**Crude Oil** Upon approval of Development Plan = 1.00 MMUS$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS$ **Natural Gas** Upon approval of Development Plan = 1.00 MMUS$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS$ 600 MMCFD (for 90 consecutive days production) = 4.00 MMUS$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS$
15.	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.
16.	Training Fund	Exploration Period = 75,000 US$ per Year. Production Period = 125,000 US$ per Year.
17.	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.
18.	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel of Oil Equivalent.
19.	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)
20.	Governing Law	Laws of the Republic of the Union of Myanmar.
21.	Arbitration	UNCITRAL Arbitration Rules.
22.	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:- - If the amount of Net Profit is up to 100 MMUS$ 40% - If the amount of Net Profit is between 100 MMUS$ and 150 MMUS$ 45% - If the amount of Net Profit is over 150 MMUS$ 50%
23.	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24.	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.

MAP OF CONTRACT AREA



COORDINATES OF BLOCK M-18

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	10° 19' 00"	96° 19' 00"
B	10° 19' 00"	98° 00' 00"
C	09° 33' 00"	98° 00' 00"
D	09° 41' 00"	97° 26' 36"
E	09° 46' 00"	96° 29' 35"
F	09° 45' 00"	96° 19' 00"
A	10° 19' 00"	96° 19' 00"

Area of Block "M-18" = 5,144 Sq. Miles.

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PRODUCTION SHARING CONTRACT

FOR

THE EXPLORATION AND PRODUCTION OF PETROLEUM

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

RELIANCE INDUSTRIES LIMITED

AND

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

FOR

BLOCK M-18

TANINTHARYI OFFSHORE AREA

REPUBLIC OF THE UNION OF MYANMAR

Dated: , 2015

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PRODUCTION SHARING CONTRACT

FOR OFFSHORE PETROLEUM OPERATIONS

TANINTHARYI OFFSHORE BLOCK M-18

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

RELIANCE INDUSTRIES LIMITED

AND

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

This Contract entered into and delivered at Nay Pyi Taw, the Republic of the Union of Myanmar on the.............., 2014 by and between

MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "MOGE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, MYANMA OIL AND GAS ENTERPRISE of the one part,

and

RELIANCE INDUSTRIES LIMITED, a company incorporated under the laws of the Republic of India (hereinafter referred to as "RELIANCE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, RELIANCE INDUSTRIES LIMITED; and

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD., a company registered under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "UNRDC" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. ; of the other part

RELIANCE and **UNRDC** are hereinafter, together with their respective successors and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a "Contractor Party", and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by Contractor Party.)

MOGE and CONTRACTOR are collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH

WHEREAS, The Republic of the Union of Myanmar is the sole owner of all natural resources within her territory and offshore areas and has the right to develop, extract, exploit and utilize the natural resources in the interest of the people of all the national groups; and

WHEREAS, MOGE is an enterprise formed by the Government of the Republic of the Union of Myanmar and is concerned with exploration and production of "Petroleum"(as hereinafter defined) within the Republic of the Union of Myanmar both onshore and offshore areas; and

WHEREAS, MOGE has the exclusive right to carry out all operations in the Republic of the Union of Myanmar and throughout the area described in Annexure "A" and outlined on the map which is Annexure "B", both attached hereto and made a part hereof, which area is hereinafter referred to as the "Contract Area"; and

WHEREAS, CONTRACTOR is of sound financial standing and possesses technical competency and professional skill for carrying out exploration and development works and other "Petroleum Operations"(as hereinafter defined in accordance with good international petroleum industry practices); and

WHEREAS, each Party has the right, power and authority to enter into this Contract; and

WHEREAS, MOGE and CONTRACTOR mutually desire to enter into this Contract which is the Production Sharing Contract in relation to the "Contract Area" as hereinafter defined;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set out, it is agreed as follows;

SECTION 1

DEFINITIONS

In this Contract, words in the singular include the plural and vice versa, and except where the context otherwise requires the following terms shall have the meaning set out as follows:

1.1 "Accounting Procedure" means the procedures and reporting requirements set forth in Annexure "C".

1.2 "Additional Exploration Operations" mean Exploration Operations performed by CONTRACTOR beyond those required by the minimum work commitment provisions in this Contract or as the case may be.

1.3 "Affiliate" means any company, or other legal entity;

a) in which CONTRACTOR holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or

b) which holds directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote, or

c) in which at least fifty percent (50%) of the shares entitled to vote are owned directly or indirectly by a company, or any other legal entity, which owns directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote.

1.4 "Appraisal Period" means the period which CONTRACTOR deems necessary to determine whether a Discovery is a Commercial Discovery.

1.5 "Appraisal Programme" means a programme submitted by CONTRACTOR pursuant to Section 7.2, under which CONTRACTOR will evaluate and delineate a Discovery including the estimated list of equipments, vehicles, machineries, materials, accessories, etc... that would be used for appraisal works under this Contract.

1.6 "Associated Gas" means Natural Gas found in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.

1.7 "Barrel" means a quantity or unit of forty-two (42) U.S. gallons liquid measured at or corrected to a temperature of sixty degrees (60^{o}) Fahrenheit with normal atmospheric pressure at sea level.

1.8 "Budget" means an estimate of income and expenditures formulated in relation to a Work Programme.

1.9 "Calendar Year" means a period of twelve (12) consecutive months commencing with January 1st and ending with December 31st next following, according to the Gregorian calendar.

1.10 "Commencement of Commercial Production" means, in relation to each Development and Production Area, the date on which regular and continuous shipments of Crude Oil (excluding test production) commence or the date on which regular and continuous sales of Natural Gas commence or any combination of these commence from the Contract Area (excluding production for testing purposes).

1.11 "Commencement of the Operation Date" means the date of approval of the Myanmar Investment Commission on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) and such date will be informed by MOGE to CONTRACTOR.

1.12 "Commercial Discovery" means the Discovery in the Contract Area of an accumulation or accumulations of Petroleum which CONTRACTOR, after conducting appraisal operations to assess the quantity and quality of the Petroleum present, the place and the depth of its location, the estimated development and production expenditures, prices prevailing in the world market and other relevant technical and economic factors, decides it is commercial to develop and produce.

1.13 "Contract" means this Production Sharing Contract, together with the Annexures attached hereto.

1.14 "Contract Area" means;

a) on the Effective Date the offshore area as described in Annexure "A" and shown on the map in Annexure "B" and

b) there after the whole or any part of such offshore area in respect of which at any particular time, CONTRACTOR continues to have rights and obligations under this Contract.

1.15 "Contract Year" means a period of time normally of three hundred and sixty-five (365) consecutive days commencing from the Commencement of the Operation Date.

1.16 "Cost Petroleum" means Petroleum out of which CONTRACTOR may recover the costs and expenses of the Petroleum Operations pursuant to Section 9.4.

1.17 "Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

1.18 "Cubic Foot" means a quantity or unit of vapor saturated with Natural Gas contained in one (1) cubic foot of space at a temperature of sixty degrees (60^{O}) Fahrenheit and pressure of 14.735 psia (30 inches Hg).

1.19 "Delivery Point" means (a) the agreed point of delivery within the relevant Development and Production Area for Petroleum delivered to MOGE as Royalty pursuant to Section 10 and Crude Oil and Natural Gas made available for the Myanmar domestic market pursuant to Section 14.1 and Section 14.4, (b) the point to be determined in accordance with Section 13 for Natural Gas, and (c) the point of export, Myanmar, for Petroleum made available for export sale, as the case may be.

1.20 "Development and Production Area" means the area or areas established by CONTRACTOR and designated as such or enlarged, as the case may be, in accordance with Section 8.

1.21 "Development and Production Operations"means all operations including but not limited to administrative and other related activities, within or outside the Contract Area, which are carried out in accordance with the Development Plan for a Development and Production Area in connection with the extraction, separation, processing, gathering, transportation, storage, treatment and disposition of Petroleum from such Development and Production Area.

1.22 "Development and Production Period" means, in relation to each Development and Production Area, the period specified in Section 3.6.

1.23 "Development Plan" means a plan for development of a Commercial Discovery prepared by CONTRACTOR and approved in accordance with Sections 8.5 or 8.6, including any amendments thereto.

1.24 "Discovery" means a discovery during Petroleum Operations of an accumulation or accumulations of Petroleum which in the opinion of CONTRACTOR may be capable of being produced and sold in commercial quantities.

1.25 "Discovery Area" means an area or areas in which CONTRACTOR may establish in accordance with Section 8.

1.26 "Drawback Basis" means all rented or leased assets which are imported into Myanmar, by CONTRACTOR or its subcontractors, with the approval of MOGE, for Petroleum Operations under the PSC's, at the time of completion, which are to be exported out of Myanmar. Assets imported on Drawback Basis are those which are not foreign direct investment and / or Myanmar citizens investment.

1.27 "Effective Date" means the date of signing of this Contract by the Parties.

1.28 "Exploration Operations" mean operations, within or outside the Contract Area, which are conducted under this Contract during the Exploration Period or in connection with the exploration for Petroleum including, without limitation, geological, geophysical and other technical surveys and studies, the review, processing and analysis of data, the drilling of exploratory and appraisal wells, operations and activities carried out to determine whether a Discovery constitutes a Commercial Discovery, associated planning, design, administrative, engineering, construction and maintenance operations, and all other related operations and

activities referred to in Annexure "C" or otherwise contemplated under the provisions of this Contract.

1.29 "Exploration Period" means the period specified in Sections 3.4, including any extensions to the Exploration Period granted under the terms of this Contract.

1.30 "Financial Year" means the financial year of the Government of the Republic of the Union of Myanmar and extending for a period of twelve (12) months commencing with 1st April and ending with 31st March next following.

1.31 "Government" means the government of the Republic of the Union of Myanmar.

1.32 "Investment Basis" means all assets which are imported into Myanmar by CONTRACTOR as an investment in accordance with the stipulations of the Contract for Petroleum Operations hereunder. Assets imported on Investment Basis are those which are allowed to make foreign direct investment and / or Myanmar citizens investment.

1.33 "Management Committee" means the committee established by that name pursuant to Section 18.

1.34 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

1.35 "Net Profit" means the amount of the proceeds of the sale or transfer of the interests of the CONTRACTOR under this Contract or the shares in the Company, registered under Section 5.1, less Petroleum Costs, which are not recovered by Cost Recovery under Article 2 in Annexure "C" until the time of transaction, Data Fee and bonuses under Section 11, and interests under Section 9.11.

1.36 "Petroleum Costs" mean all of the costs and expenditures borne and incurred by CONTRACTOR in connection with or related to the conduct of Petroleum Operations pursuant to this Contract, and determined and accounted for in accordance with Annexure "C".

1.37 "Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other hydrocarbons produced in association therewith.

1.38 "Petroleum Operations" mean all operations, within or outside the Contract Area, under this Contract, including, without limitation, Study and Exploration Operations, Development and Production Operations, or any combination of such operations, transportation, storage, marketing, all associated planning, design, administrative, engineering, construction and maintenance operations, and any or all other incidental operations or activities, as may be necessary under the provisions of this Contract.

1.39 "Preparation Period" means a period of six (6) months starting from signing date of this Contract during which Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) shall be conducted by the CONTRACTOR in respect of the Contract Area.

1.40 "Quarter" means a period of three (3) months starting with the first day of January, April, July or October of each Calendar Year.

1.41 "Study Period" means a period of time starting from the Commencement of the Operation Date, as described in Section 3.3, during which a study will be conducted as described in Section 6, in respect of, inter alia, data and information supplied by MOGE pursuant to Section 2.4.

1.42 "U.S. Dollar" or "US$" means the lawful currency of the United States of America.

1.43 "Value Added Petroleum Downstream Products" means derivatives produced from, including but not limited to, Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Methanol and any other products utilizing Natural Gas and/or Crude Oil as feedstock.

1.44 "Work Programme" means a work programme mutually agreed by MOGE and CONTRACTOR itemizing the Petroleum Operations to be conducted within or with respect to the Contract Area, Discovery Area or Development and Production Area and time schedule thereof, including the estimated list of the equipments, vehicles, machineries, materials, accessories, etc... that would be used in the Petroleum Operations under this Contract.

1.45 "Foreign Investment Law" means the Foreign Investment Law of the Republic of the Union of Myanmar (the Pyi Htaung Su Hlut Taw Law No. 21/2012 dated 2nd November 2012) and related rules and notification.

SECTION 2

SCOPE

2.1 This Contract is a Production Sharing Contract. In accordance with the provisions herein contained, MOGE shall have and be responsible for the management of Petroleum Operations contemplated hereunder.

2.2 CONTRACTOR shall be responsible to MOGE for the execution of the Petroleum Operations in accordance with the provisions of this Contract, and is hereby appointed and constituted the exclusive company (operator) to conduct Petroleum Operations in the Contract Area. CONTRACTOR shall provide all the financial and technical assistance required for the Petroleum Operations. CONTRACTOR shall carry the risk of Petroleum Costs required in carrying out the Petroleum Operations and shall therefore have an economic interest in the development of the Petroleum in the Contract Area. Such costs shall be included in Petroleum Costs recoverable as provided in Section 9.4. The interest expenses incurred by the CONTRACTOR to finance its Exploration Operations hereunder shall not be cost recoverable from Cost Petroleum.

2.3 During the term of this Contract the total production achieved in the conduct of such Petroleum Operations in each Quarter shall be divided in accordance with the provisions of Section 9.

2.4 To assist CONTRACTOR in performing work hereunder, MOGE shall as soon as practicable supply to CONTRACTOR all data and information relating to the Contract Area in MOGE's possession or under the control of MOGE.

2.5 CONTRACTOR shall send back to MOGE all original data and information relating to Section 2.4 above and also in digitize format no later than six (6) months after receipt of such data and information by CONTRACTOR.

2.6 CONTRACTOR shall within thirty (30) days after the Commencement of the Operation Date, make payment to MOGE the sum specified in Section 11.1 as Data Fee.

2.7 Data Fee paid in accordance with Section 2.6, shall be tax deductible, but shall not be recoverable from Cost Petroleum under Section 9.

SECTION 3

TERM

3.1 Unless sooner terminated in accordance with the terms hereof, this Contract shall remain in effect during the Preparation Period, Study Period, Exploration Period and any Development and Production Period.

3.2 The Preparation Period shall begin on the Effective Date and shall continue for a period of six (6) months and may be extended to a certain period by sole discretion of MOGE based on issuance of Myanmar Investment Commission's approval on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) reports.

3.3 The Study (Technical Evaluation and Assessment –TEA) Period shall commence from the Commencement of the Operation Date of this Contract and shall have duration of twelve (12) months.

3.4 If at the end of the Study Period, CONTRACTOR, after fully disclosing the results of the study to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE given not later than fifteen (15) days before the end of the Study Period. Thereafter, CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, Exploration Period shall begin immediately following the expiration of Study Period and shall continue for three (3) consecutive years ("Initial Exploration Period"). CONTRACTOR may extend, at its sole discretion, the Exploration Period for three (3) years, consisting of two year as the ("First Extension Year") and another one year as the ("Second Extension Year"), provided that, it shall have fulfilled its obligations hereunder for the then current period. CONTRACTOR shall notify MOGE thirty (30) days prior to the end of the Initial Exploration Period or the then current extension period that it intends to enter into any such extension to the Exploration Period.

3.5 If seismic or drilling operations (including testing) are in progress at the end of the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended until sixty (60) days after completion of such operations. If CONTRACTOR shall have made a Discovery during the Initial Exploration Period, or any extension of the Exploration Period, the current period shall be automatically extended as to the Discovery Area designated pursuant to Section 7 for such additional period as shall be sufficient for CONTRACTOR in accordance with the terms of this Contract to appraise the Discovery and declare a Commercial Discovery and designate a Development and Production Area.

3.6 A Development and Production Period shall commence with respect to each Development and Production Area on the date that CONTRACTOR gives

notice of Commercial Discovery relating to such Development and Production Area and shall continue until the expiration of twenty (20) years from the date of completion of development in accordance with the Development Plan for such Development and Production Area or the expiration of the sale(s) contract(s) relating to the sale and purchase of Petroleum produced hereunder whichever is longer.

3.7 Without limiting the rights of the Parties under Section 17 and 20, in the event that the Parties agree that CONTRACTOR is prevented or impeded from carrying on Petroleum Operations or gaining access to the Contract Area for reasons relating to the protection of personnel, subcontractors, property, or the environment, CONTRACTOR's obligations hereunder shall be suspended from the time of the commencement of such impairment until the impairment has been alleviated. As soon as practicable thereafter, the Parties shall meet and agree upon a period of time which shall be added to the Study Period and/or Exploration Period and/or any Development and Production Period, which period of time shall be equivalent to the amount of time necessary to restore Petroleum Operations to the status which they occupied at the time of the impairment.

If the impairment of Petroleum Operations described above should continue for a period of time exceeding two (2) years, CONTRACTOR shall have the right to elect in its sole discretion to terminate this Contract and CONTRACTOR shall be discharged from all further obligations under this Contract, including specifically without limitation the obligation to pay any deficiency under Section 5.3 and perform the minimum work commitments under Section 5.2 below.

SECTION 4

RELINQUISHMENTS

4.1 Not later than at the end of the Exploration Period (including any extension), all of the Contract Area other than Discovery Areas and Development and Production Areas shall be relinquished. Notwithstanding the foregoing, if CONTRACTOR elects to enter into the Second Extension Year of the Exploration Period as described in Section 3.4, CONTRACTOR shall select from the Contract Area an area or areas totaling not more than 75% of the Contract Area (excluding any Discovery Areas and Development and Production Areas) in which to carry out further Petroleum Operations. The remainder of the Contract Area, other than Discovery Areas and Development and Production Areas, shall be relinquished at the time of such selection.

4.2 CONTRACTOR may at any time relinquish voluntarily its rights hereunder to conduct Petroleum Operations in all or any part of the Contract Area. Any such voluntary relinquishment of less than all the Contract Area shall be credited toward any subsequent relinquishment obligations hereunder.

4.3 No relinquishment shall relieve CONTRACTOR from its obligation for the accrued but unfulfilled minimum work commitments specified in Section 5.3 of this Contract.

4.4 At least thirty (30) days in advance of the date of the relinquishment under Sections 4.1 and 4.2, CONTRACTOR shall notify MOGE of the portions of the Contract Area to be relinquished. In connection with any relinquishment of less than all of the Contract Area, the CONTRACTOR and MOGE shall consult with each other in order to ensure that each individual portion of the Contract Area relinquished shall, so far as reasonably possible, be of sufficient size and shape to enable Petroleum Operations to be conducted thereon.

SECTION 5

MINIMUM WORK COMMITMENT

5.1 Subject to the provisions hereof, CONTRACTOR shall commence Petroleum Operations promptly, after adoption of the initial Work Programme and Budget pursuant to Section 6.2 and the issuance of all permits, clearances and licenses necessary for the commencement for field operations. As soon as practicable following the Effective Date, CONTRACTOR shall file such documents as shall be required to effect registration as a foreign corporation authorized to do business in Myanmar.

5.2 Subject to the provisions of this contract, the CONTRACTOR shall perform the following Exploration Operations.

(a) During the Study (TEA) Period, to conduct study of existing Geological and Geophysical data and reprocessing where necessary, all at an estimated cost of U.S. Dollars One Million (US$ 1,000,000).

(b) If CONTRACTOR elects to enter into the Initial Exploration Period for three (3) years, during Year 1of the Initial Exploration Period, to conduct 2D seismic acquisition, processing and interpretation of 1150 line kms, all at an estimated cost of U.S. Dollars One Million and Five Hundred Thousand (US$ 1,500,000).

(c) During Year 2 of the Initial Exploration Period, to conduct 3D seismic acquisition, processing and interpretation of 600 square kms, all at an estimated cost of U.S. Dollars Six Million (US$ 6,000,000).

(d) During Year 3 of the Initial Exploration Period, to conduct prospect evaluation and drill one (1) well, all at an estimated cost of U.S. Dollars Twenty Three Million and Three Hundred Thousand (US$ 23,300,000).

(e) If CONTRACTOR elects to enter into the First Extension Period of the Exploration Period for two (2) years, during Year 1 of the First Extension Period, to conduct 3D seismic acquisition, processing and interpretation of 500 square kms, all at an estimated cost of U.S. Dollars Five Million (US$ 5,000,000).

(f) During Year 2 of the First Extension Period, to conduct prospect evaluation and drill one (1) well, all at an estimated cost of U.S. Dollars Twenty Three Million and Three Hundred Thousand (US$ 23,300,000).

(g) If CONTRACTOR elects to enter into the Second Extension Period of the Exploration Period for one (1) year, to conduct prospect evaluation and drill one (1) well, all at an estimated cost of U.S. Dollars Twenty Three Million and Three Hundred Thousand (US$ 23,300,000).

The minimum work commitments specified in Section 5.2(b) to (g), respectively, shall only apply to the extent that CONTRACTOR elects to exercise its option to proceed into or extend, as the case may be, the Exploration Period as provided in Section 3.4.

5.3 If the CONTRACTOR fails to fulfill the minimum work commitment described in Section 5.2(a) to (g) for Study and Exploration Operations:

(a) during the Study (TEA) Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (a) and the amount actually expended on study operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the study operations set forth in Section 5.2 (a) during the Study Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2 (a) whether or not such amount was actually expended, or

(b) during the Initial Exploration Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (b) to (d) and the amount actually expended on Exploration Operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(b) to (d) during the Initial Exploration Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2(b) to (d) whether or not such amount was actually expended, or

(c) during extension of the Exploration Period thereafter, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2(e) and (g) attributable to such extension and the amount actually expended on or accrued for Exploration Operations during such extension provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(e) and (g) attributable to such extension of the Exploration Period it shall be deemed to have fulfilled the work commitments set forth in Section 5.2(e) and (g) for such extension, whether or not such amount was actually expended.

Notwithstanding anything in this Contract to the contrary, payment of such amount, if any, by CONTRACTOR in accordance with this Section 5.3, shall be MOGE's exclusive remedy for CONTRACTOR's failure to fulfill its minimum work commitment.

5.4 <u>Guarantees</u>

5.4.1 On the Effective Date, CONTRACTOR shall provide, in the form shown in Annexure "D" a Parent Company Guarantee as well as within thirty (30) days after entering into Study (TEA) Period provide a Performance Bank Guarantee issued by corresponding bank of

Myanma Foreign Trade Bank in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (a). If CONTRACTOR enters into the Initial Exploration Period it shall, provide similar Guarantees in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (b) to (d). If CONTRACTOR enters into any extension of the Exploration Period it shall, subject to Section 5.5, provide similar Guarantees in respect of the minimum expenditure commitment of the relevant extension period.

5.4.2 The CONTRACTOR shall furnish the Performance Bank Guarantee to MOGE in the amount equal to ten (10) percent of the aggregate value of its minimum expenditure commitment of Study (TEA) Period under Section 5.2 (a), in the event of entering into the Initial Exploration Period under Section 5.2 (b) to (d) and any extension of Exploration Period for the respective extension, same percentage of Performance Bank Guarantee shall be applicable; on condition that such Performance Bank Guarantee shall be provided within thirty (30) days after entering into such extension.

The Proceeds of Performance Bank Guarantee shall be payable to MOGE as compensation for any failure of CONTRACTOR's minimum work commitment under this Section 5.

Subject to the above clauses under Section 5.4.2, the Performance Bank Guarantee will be discharged by MOGE and return to CONTRACTOR not later than twenty (20) days following the date of completion of the respective period.

5.5 In the event the CONTRACTOR fails to perform the Exploration Operations specified in Section 5.2(b) to (d) during the Initial Exploration Period but desires to enter into the extension of the Exploration Period and has carried out Petroleum Operations with diligence, MOGE shall permit the CONTRACTOR to perform the Exploration Operations required during a specified extension in any subsequent extension of the Exploration Period.

5.6 If CONTRACTOR performs Exploration Operations beyond those required by Section 5.2(b) to (g) during the Initial Exploration Period or during the extension of the Exploration Period, the Additional Exploration Operations performed shall be credited toward CONTRACTOR's minimum work commitment obligations for the succeeding extension(s) of the Exploration Period.

SECTION 6

WORK PROGRAMMES AND BUDGETS

6.1 Unless otherwise provided herein, CONTRACTOR shall conduct Petroleum Operations in accordance with approved Work Programmes and Budgets and shall commence Petroleum Operations hereunder not later than three (3) months after the Commencement of the Operation Date.

6.2 Within sixty (60) days after the Commencement of the Operation Date, CONTRACTOR shall prepare and submit to MOGE for approval a Work Programme setting forth the Petroleum Operations which CONTRACTOR proposes to conduct during the first Contract Year and a Budget with respect thereto.

6.3 At least ninety (90) days before the end of the first Contract Year and every Contract Year thereafter, CONTRACTOR shall prepare and submit to MOGE for approval a proposed Work Programme and Budget for the next succeeding Contract Year.

6.4 If MOGE does not propose revisions to said Work Programme and Budget within such thirty (30) days period, the Work Programme and Budget proposed by CONTRACTOR shall be deemed to have been approved.

6.5 If MOGE requests any changes to the said Work Programme and Budget within such thirty (30) days provided in Section 6.4, then CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Work Programme and Budget. Revision to the Work Programme and Budget, agreed within a further period of thirty (30) days shall be incorporated in a revised Work Programme and Budget which shall then be deemed approved and adopted.

6.6 It is recognized by the Parties that the details of a Work Programme may require changes in the light of existing circumstances and nothing herein contained shall limit the right of the CONTRACTOR to make such changes with written approval of MOGE, provided they do not change the general objective of the Work Programme, nor increase the expenditure in the approved Budget.

6.7 It is further recognized that in the event of emergency or extraordinary circumstances requiring immediate action either Party may take all actions it deems proper or advisable to protect their interests and those of their respective employees and any costs so incurred shall be included in the Petroleum Costs.

6.8 MOGE agrees that the approval of a proposed Work Programme and Budget will not be unreasonably withheld and shall be approved if the Work Programme is consistent with generally accepted international petroleum industry practices.

6.9 The minimum Work Programme and Budget estimated for Study and each Exploration Periods shall be set forth by the Contractor as follows subject to provisions of Section 5:

Contract Period	**Estimated Expenditure**	**Work Programme**
Study (TEA) Period (Twelve months)	US$ 1,000,000	To conduct study of existing geological and geophysical data and reprocessing where necessary.
Initial Exploration Period (Year 1)	US$ 1,500,000	To conduct 2D seismic acquisition, processing and interpretation of 1150 lkms.
Initial Exploration Period (Year 2)	US$ 6,000,000	To conduct 3D seismic acquisition, processing and interpretation of 600 sq.km.
Initial Exploration Period (Year 3)	US$ 23,300,000	To conduct Prospect evaluation and drill one (1) well.
First Extension Period (Year 1)	US$ 5,000,000	To conduct 3D seismic acquisition, processing and interpretation of 500 sq.km.
First Extension Period (Year 2)	US$ 23,300,000	To conduct prospect evaluation and drill one (1) well.
Second Extension Period (1 Year)	US$ 23,300,000	To conduct prospect evaluation and drill one (1) well.
TOTAL	**US$ 83,400,000**	

SECTION 7

DISCOVERY AND APPRAISAL

7.1 The CONTRACTOR shall notify MOGE not later than thirty (30) days after any Discovery of Petroleum within the Contract Area. This notice shall summarize all available details of the Discovery and particulars of any additional testing programme to be undertaken and a map showing an outline of the boundaries of an area comprised of the portion of the Contract Area believed by CONTRACTOR to contain the Discovery.

7.2 If the CONTRACTOR considers that a Discovery merits appraisal, the CONTRACTOR shall, subject to Section 13 for Natural Gas, submit to the MOGE as soon as is practicable after completion of the exploration well in question a detailed Appraisal Programme and Budget to evaluate whether the Discovery is a Commercial Discovery.

7.3 If MOGE considers that an Appraisal Programme for a Discovery Area is merited, according to generally accepted international petroleum industry practices, MOGE may request that CONTRACTOR undertake such an Appraisal Programme, provided however that the CONTRACTOR may give reasons, also according to generally accepted international petroleum industry practices, as to why said Appraisal Programme should not be performed or should be deferred and the period of deferment.

7.4 The Appraisal Programme and Budget submitted by the CONTRACTOR to MOGE under Section 7.2 shall describe the Discovery Area, and the location, nature and estimated size of the Discovery and a designation of the area to be included in the evaluation. Once designated, a Discovery Area shall extend to all depths within its lateral boundaries, except as may be limited by Section 8. The Appraisal Programme shall also include a plan of all drilling, testing and evaluation to be conducted in the Discovery Area and all technical and economic studies related to recovery, treatment and transportation and delivery of Petroleum from Discovery Area.

7.5 If MOGE requests any changes to the Appraisal Programme and Budget for any Discovery Area, then MOGE shall so notify the CONTRACTOR in writing within fifteen (15) days of receipt thereof and the CONTRACTOR and MOGE shall meet within fifteen (15) days after receipt by the CONTRACTOR of MOGE's written notification as to the requested changes to endeavor to agree on a revised Appraisal Programme and Budget. The Appraisal Programme and Budget approved and adopted shall be CONTRACTOR's proposal as modified by agreed changes adopted thirty (30) days after receipt by the CONTRACTOR of MOGE's written notification of requested changes. If no changes are requested by MOGE, then CONTRACTOR's Appraisal Programme and Budget shall be deemed approved. The Parties recognize that the details of the Appraisal Programme may require modification as the result of changing circumstances and in that event, CONTRACTOR may make changes consistent with those set forth in this Section 7.

7.6 After adoption of the Appraisal Programme and Budget, the CONTRACTOR shall diligently continue to evaluate the Discovery in accordance with such programme without undue interruptions.

7.7 Within ninety (90) days after the evaluation is completed, but in any event prior to the expiration of the Exploration Period, or extension thereof pursuant to Section 3.4 or Section 3.5, the CONTRACTOR shall subject to Section 13, for Natural Gas, notify and report to MOGE whether the Discovery Area contains a Commercial Discovery. Such report shall include all relevant technical and economic data relating thereto.

7.8 For the purposes of this Section 7, the CONTRACTOR shall make a determination as to whether a Discovery is a Commercial Discovery on the basis of whether that Discovery can be produced commercially after consideration of pertinent operating and financial data collected during the performance of the Appraisal Programme and otherwise, including but not limited to Crude Oil and / or Natural Gas recoverable reserves, sustainable production levels and other relevant technical and economic factors, market availability, the basic Natural Gas pricing principles prevailing internationally, taking in consideration such factors as market, quality and quantity of the Natural Gas according to generally accepted internationally petroleum industry practices and the applicable laws of Myanmar and the provisions of this Contract.

SECTION 8

DEVELOPMENT AND PRODUCTION

8.1 At any time prior to the expiration of the Exploration Period, CONTRACTOR may notify MOGE in writing that CONTRACTOR has made a Commercial Discovery and furnish a map describing an area believed by CONTRACTOR to contain the Commercial Discovery ("Discovery Area"). If the CONTRACTOR reports that a Discovery is a Commercial Discovery under Section 7.7, a Development Plan shall be prepared by the CONTRACTOR and submitted to the MOGE as soon as is practicable after the completion of the Appraisal Work Programme.

8.2 The Development Plan shall be prepared on the basis of sound engineering and economic principles in accordance with generally accepted international petroleum industry practices and shall be designed to ensure that the Petroleum deposits do not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure and shall adopt the optimum economic well spacing appropriate for the development of those Petroleum deposits.

8.3 The Development Plan shall contain:

a) Details and the extent of the proposed Development and Production Area relating to the Commercial Discovery, which area shall correspond to the geographical extension of the Commercial Discovery plus a reasonable margin, and shall be designated as the Development and Production Area for the Commercial Discovery concerned. Once designated, a Development and Production Area shall extend to all depths within lateral boundaries.

b) Proposals relating to the spacing, drilling and completion of wells, the production and storage installations and the transportation and delivery facilities required for the production, storage and transportation of Petroleum within and outside of the Contract Area. In the event that pipeline and/or other transportation facilities for the transportation and delivery of Petroleum outside the Development and Production Area are contemplated by the CONTRACTOR, the Development Plan may provide:

i) For financing and construction of the pipeline and/or other transportation facilities.

ii) For the payment of transportation tariffs by the users of the facilities which are based upon the costs of financing, constructing, operating and maintaining the pipeline and / or other transportation facilities, including depreciation thereof, any applicable taxes, and a reasonable return on investment.

iii) For the ownership, financing and construction of pipeline and/or transportation facilities under a separate contract between the Parties, and in the event of such a proposal, the ownership, financing and construction of such pipeline and / or transportation facilities under such separate contract shall be as mutually agreed. The execution of a separate contract by the Parties for the ownership, financing and construction of pipeline and / or transportation facilities outside the Development and Production Area shall not amend, abridge, limit or otherwise modify the Parties' respective rights and obligations under this Contract, unless otherwise expressly agreed.

c) Proposals relating to necessary infrastructure investments and employment of Myanmar nationals, and use of Myanmar materials, products and services shall be made in accordance with Section 17.2 herein.

d) A production forecast and an estimate of the investment and expenses involved.

e) An estimate of the time required to complete each phase of the Development Plan.

8.4 MOGE may require the CONTRACTOR to provide within thirty (30) days of receipt of the Development Plan such further information as is readily available and as MOGE may reasonably need to evaluate the Development Plan for any Development and Production Area.

8.5 If MOGE does not request in writing any changes to the Development Plan within ninety (90) days after receipt thereof, the plan shall be deemed approved and adopted by MOGE.

8.6 If MOGE requests any changes to the Development Plan within such ninety (90) days provided in Section 8.5, then the CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Development Plan. Revision to the Development Plan, agreed within a further period of ninety (90) days shall be incorporated in a revised plan which shall then be deemed approved and adopted.

8.7 After the Development Plan has been adopted, the CONTRACTOR shall submit to MOGE for discussion ninety (90) days before the end of each subsequent Financial Year a detailed statement of the Development Work Programme and Budget for such subsequent Financial Year, and, for the first full Financial Year and the portion of the Calendar Year preceding the first full Financial Year, a detailed statement of the Development Work Programme and Budget thereof shall be submitted within ninety (90) days after the date of adoption of the Development Plan under Section 8.5. Each such annual detailed statement of the Development Work Programme and Budget thereof shall be consistent with the Development Plan adopted under Section 8.5 or as revised pursuant to Sections 8.6 and 8.8.

8.8 The CONTRACTOR may at any time submit to MOGE revisions to any Development Plan or Development Work Programme and Budget. These revisions shall be consistent with the provisions of Section 8.2 and shall be subject to the approval procedure set forth in Sections 8.5 and 8.6.

8.9 The CONTRACTOR shall commence Development and Production Operations not later than three (3) months after the date of adoption of the Development Plan under Section 8.5 or Section 8.6.

8.10 Where MOGE and the CONTRACTOR agree that a mutual economic benefit can be achieved by constructing and operating common facilities (including, but not limited to, offshore production and processing structures, pipelines and other transportation, communication and storage facilities and value added downstream plants), the CONTRACTOR shall use its reasonable efforts to reach agreement with other producers and MOGE on the construction and operation of such common facilities, investment recovery and charges to be paid.

8.11 If, subsequent to the designation of a Development and Production Area, the extent of the area encompassing the Commercial Discovery or another such area over or underlying it is reasonably expected to be greater than the designation in the Development Plan under Section 8.3, the Development Area shall be enlarged accordingly, provided that the area covered shall be entirely within the original Contract Area designated in Section 1.14 (a) or, otherwise, not being yet awarded to any person other than MOGE.

SECTION 9

COST RECOVERY AND PROFIT PETROLEUM ALLOCATION

9.1 Subject to the provisions of Section 8.3 (b) referring to the financing and construction of the pipeline and/or other transportation facilities, CONTRACTOR, including MOGE pursuant to Section 19, shall provide all funds required to conduct Petroleum Operations under this Contract and may recover its costs and expenses only out of Cost Petroleum in the manner and to the extent permitted under Section 9.4. CONTRACTOR shall have the right to use free of charge Petroleum produced from the Contract Area to the extent it considers necessary for Petroleum Operations under this Contract.

9.2 Petroleum produced and saved and not used in Petroleum Operations (hereinafter referred to as "Available Petroleum" or "Available Crude Oil" or "Available Natural Gas" as may be applicable) shall be measured at the Delivery Point and allocated as set forth in Section 9.7.

9.3 CONTRACTOR may take such portion of Available Petroleum from the Contract Area as is necessary to discharge CONTRACTOR's obligations to pay the Royalty specified in Section 10.

9.4 CONTRACTOR shall recover all Petroleum Costs in accordance with Annexure "C" in respect of all Petroleum Operations hereunder to the extent of fifty percent (50%) per Quarter of all Available Petroleum from the Contract Area, provided, however, that in the event a Development and Production Area contains within its boundaries any well, equipment or facilities at a location (on or below the water surface or seabed) the water depth of which is more than 600 feet, then Petroleum Costs in respect of all Petroleum Operations in such Development and Production Area shall be recovered to the extent of sixty percent (60%) per Quarter of all Available Petroleum from such Development and Production Area and provided further, that (a) all costs and expenses of Development and Production Operations (inclusive of pipeline cost to move Crude Oil and / or Natural Gas to the Delivery Point for sale or transfer of ownership) in respect of any Development and Production Area shall be recoverable from Available Petroleum produced from any Development and Production Area, and (b) that all costs and expenses of Exploration Operations carried out in the Contract Area shall be recoverable from Available Petroleum produced from any Development and Production Area. Such Petroleum Costs shall be recovered out of Cost Petroleum in the later part of the Quarter in which such expenditures are incurred or in the Quarter in which Commencement of Commercial Production first occurs within the Contract Area.

9.5 To the extent that costs or expenses recoverable in a Quarter under Section 9.4 exceed the value of all Cost Petroleum from the Contract Area for such Quarter, the excess shall be carried forward for recovery in the next succeeding Quarter thereafter until fully recovered, but in no case after termination of this Contract.

9.6 The Petroleum valuation provisions of Section 12 shall be used for determining the value and quantity of Cost Petroleum by CONTRACTOR according to the incremental scale of Sections 9.4 and 9.5, based on average daily production over the Quarter from the relevant Development and Production Area.

9.7 With respect to each Development and Production Area, Available Petroleum not taken for purpose of payment of the Royalty under Section 10 nor taken as Cost Petroleum, as described in Sections 9.4 and 9.5, shall be "Profit Petroleum" in a Quarter and shall be allocated between MOGE and CONTRACTOR according to the following incremental scale, based on average daily production over the Quarter from the relevant Development and Production Area.

a) Available ***Crude Oil*** for water depths of 600 feet or less:

Barrels per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	80	20
100,001 – 150,000	85	15
> 150,000	90	10

b) Available ***Natural Gas*** for water depths of 600 feet or less:

Million Cubic Feet per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0– 300	65	35
301 – 600	75	25
601 – 900	85	15
> 900	90	10

c) Available ***Crude Oil*** for water depths more than 600 feet:

Barrels per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	75	25
100,001 – 150,000	80	20
> 150,000	85	15

d) Available ***Natural Gas*** for water depths more than 600 feet:

Million Cubic Feet per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 300	60	40
301 – 600	70	30
601– 900	80	20
>900	90	10

9.8 a) Subject to its obligations under Section 14, CONTRACTOR shall receive for each Quarter at the Delivery Point and, may separately dispose of, Crude Oil to which it is entitled pursuant to Section 9.4 plus its share in Profit Petroleum as stipulated in Section 9.7. Title and risk of loss shall pass to the buyer/recipient at such Delivery Point.

b) Natural Gas will be disposed of pursuant to the provisions of Section 13 and Section 14.

c) Each Party shall be responsible for the costs, incurred in disposing of its entitlement of Petroleum beyond the Delivery Point.

9.9 CONTRACTOR shall conduct a review of production programme prior to the Commencement of Commercial Production from any Development and Production Area and shall establish production at the maximum efficient rate needed to achieve the maximum ultimate economic recovery of Petroleum from that Development and Production Area in accordance with generally accepted standards of the international petroleum industry.

9.10 At least one hundred and eighty (180) days prior to Commencement of Commercial Production from a Development and Production Area, MOGE and CONTRACTOR shall agree on a procedure for lifting of their respective entitlements of Crude Oil, such procedure to contain reasonable provisions for under lift and over lift and for each Party to have the right to accumulate and lift economic sized cargoes.

9.11 The provision regarding payment of Income Tax imposed upon CONTRACTOR under the applicable provisions of the Income Tax Laws of the Republic of the Union of Myanmar shall be applied as follows:

a) CONTRACTOR shall be subject to the Myanmar Income Tax Laws and shall comply with requirements of the Myanmar Income Tax Law in particular with respect to filing of returns, assessment of tax, keeping and showing of books and records.

b) CONTRACTOR's annual taxable income for Myanmar Income Tax purposes shall be an amount equal to the CONTRACTOR's net income attributable to the Profit Petroleum allocated to the CONTRACTOR pursuant to Section 9.7 as adjusted for all other expenditures that may not be cost recoverable, but that are by reason of being normal business expenditures, deductible under the Income Tax Laws of the Republic of the Union of Myanmar. It is understood by both Parties that for purpose of determining net taxable income, CONTRACTOR shall also be allowed to deduct all legitimate and reasonable expenses incurred for the purpose of earning income under the existing provisions of the Myanmar Income Tax Law. Such expenses include but are not limited to:

i) interest incurred by CONTRACTOR to finance the Petroleum Operations (to the extent not cost recoverable); and

ii) production bonuses paid by CONTRACTOR pursuant to Section 11; and

c) The CONTRACTOR shall pay Myanmar Income Tax on the annual net taxable income as defined in Section 9.11 (b) above, in accordance with the provisions of the Income Tax Laws of the Republic of the Union of Myanmar and subject to the entitlements under the provisions of the Foreign Investment Law.

d) MOGE shall assist the CONTRACTOR to obtain proper official receipts evidencing the payment for CONTRACTOR's Myanmar Income Tax. Such receipts shall be issued by a duly constituted authority for the collection of Myanmar Income Taxes and shall state the amount and other particulars customary for such receipts. Provisional receipts shall be issued within ninety (90) days following the commencement of the next ensuing Financial Year and final receipt shall be issued not later than ninety (90) days after provisional receipts have been issued.

e) As used herein, Myanmar Income Tax shall be inclusive of all taxes on income payable to the Republic of the Union of Myanmar.

SECTION 10

ROYALTY

10.1 Royalty shall be paid in whole or in part, in cash or in kind, at the option of the Government, as provided in this Section 10.

10.2 In the absence of an election on the part of the Government to take Royalty in kind, Royalty accruing during a Quarter shall be paid in cash within thirty (30) days after the end of that Quarter. CONTRACTOR shall pay to the Government a Royalty equal to twelve point five percent (12.5%) of the value of Available Petroleum from the Contract Area, determined in accordance with Section 12, and adjusted by deducting an amount equal to the cost of transportation from the Delivery Point to the usual point of export.

10.3 CONTRACTOR shall be given at least one hundred and eighty (180) days prior notice of an election by the Government to take Royalty in kind and such option shall be effective for a minimum period of one (1) year. Unless otherwise agreed by the Government and CONTRACTOR, if the Government elects to take Royalty in kind, twelve point five percent (12.5%) of the Available Petroleum shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules. A lifting and nomination procedure will be agreed upon to effect regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules.

10.4 Royalty shall not be recoverable from Cost Petroleum.

SECTION 11

DATA FEE AND BONUSES

11.1 Data Fee

CONTRACTOR shall, within thirty (30) days after the Commencement of the Operation Date, pay to MOGE the sum of U.S. Dollars Five Hundred Thousand (US$ 500,000) as Data Fee for data and information referred to in Section 2.4. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9 but tax deductible pursuant to Section 9.11.

11.2 Signature Bonus

Provided CONTRACTOR does not exercise its right to terminate this Contract pursuant to Section 3.4, CONTRACTOR shall, within thirty (30) days after entering into the Initial Exploration Period, pay to MOGE the sum of U.S. Dollars Seven Million (US$ 7,000,000) as a Signature Bonus. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9.

11.3 Production Bonus - Crude Oil

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Crude Oil Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Crude Oil.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Twenty Five Thousand (25,000) Barrels per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Fifty Thousand (50,000) Barrels per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred Thousand (100,000) Barrels per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Thousand (150,000) Barrels per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Two Hundred Thousand (200,000) Barrels per day.

11.4 Production Bonus – Natural Gas

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Natural Gas Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Natural Gas.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Million Cubic Feet (150,000,000 ft^3) per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Three Hundred Million Cubic Feet (300,000,000 ft^3) per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Six Hundred Million Cubic Feet (600,000,000 ft^3) per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Seven Hundred and Fifty Million Cubic Feet (750,000,000 ft^3) per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Nine Hundred Million Cubic Feet (900,000,000 ft^3) per day.

11.5 Production Bonuses paid in accordance with Section 11.3 and 11.4 shall not be recoverable from Cost Petroleum.

SECTION 12

VALUATION OF PETROLEUM

12.1 Terms used in this Section shall have the following meanings:

a) "Arms Length Sales" means sales on the international market in freely convertible currencies between willing and unrelated sellers and buyers, excluding sales between Affiliates, sales between governments or government owned entities, sales affected by other commercial relationships between seller and buyer, transactions involving barter, and more generally any transactions motivated wholly or partly by considerations other than the usual commercial incentives.

b) "Reference Crude" means Crude Oil(s) produced in Asia which is/are of comparable gravity and quality to the Crude Oil valued hereunder. The appropriate Crude Oil(s) comprising Reference Crude shall be selected and agreed by MOGE and CONTRACTOR at least one hundred and eighty (180) days prior to Commencement of Commercial Production from any Development and Production Area.

c) "Reference Crude Price" means the average Free on Board ("FOB") point of export spot price for Reference Crude during the relevant time period as quoted in Platt's Oilgram Price Report or such other publication as MOGE and CONTRACTOR may agree, adjusted as necessary to exclude non-Arms Length Sales and to reflect thirty (30) days payment terms and differences in gravity and quality between the Reference Crude and the Crude Oil being valued hereunder.

d) "Transportation Cost" means the transportation cost determined by reference to the Average Freight Rate Assessment ("AFRA") last published by the London Tanker Broker and Association, or such other published Crude Oil freight rate as MOGE and CONTRACTOR may agree, applicable to voyages between the points specified, using vessels of appropriate size.

12.2 For the purpose of Section 9 and Section 10, a U.S. Dollar value per Barrel of Crude Oil shall be determined each Quarter. Such value shall be the Fair Market Value determined and defined in accordance with Section 12.3.

12.3 The Fair Market Value shall be the volume-weighted average of:

a) the price actually received by CONTRACTOR during the relevant Quarter in Arms Length Sales, if any, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms, and

b) the Reference Crude Price applicable for Crude Oil sold by CONTRACTOR during the relevant Quarter in non Arms Length Sales, adjusted to a Yangon point of export basis by adding the Transportation Cost of the Reference

Crude from its point of export to the market in which Myanmar Crude Oil would normally be sold and subtracting the Transportation Cost from Yangon to the market in which Myanmar Crude Oil would normally be sold.

12.4 Within twenty (20) days following the end of each Quarter, CONTRACTOR shall determine Crude Oil value in accordance with this Section and shall notify MOGE. Unless within twenty (20) days after receipt of such notice MOGE notifies CONTRACTOR that it does not agree with CONTRACTOR's determination and specifies in such notice the basis for such disagreement, the CONTRACTOR's determination shall conclusively be deemed to have been accepted. For Crude Oil Sales overlapping Quarters, a reconciliation mechanism shall be provided within the lifting procedure to be agreed upon as provided in Section 9.10.

12.5 In the event MOGE shall have timely notified CONTRACTOR, within the above described twenty (20) day period that it disagrees with CONTRACTOR's determination of Crude Oil value, MOGE and CONTRACTOR shall meet to discuss the CONTRACTOR's determination. Should MOGE and the CONTRACTOR fail to reach agreement on the Crude Oil value within seventy-five (75) days after the end of the Quarter in question, either Party may submit the value determination (and the selection of the Crude Oil to comprise Reference Crude if not previously agreed) to a panel of arbitrator in accordance with the provisions of Section 22.

12.6 The allocation of Crude Oil for Section 9, Section 10 and Section 14 shall be based on the value last determined or in the event of a dispute pursuant to Section 12.5, the average of the value determined by CONTRACTOR and the value proposed by MOGE. When a new value is determined, that value shall be applied retroactively for the Quarter in which the sales used in the determination occurred and appropriate adjustments shall then be made in the allocations of the Parties to reflect the retrospective application of the new Crude Oil value.

12.7 Natural Gas produced and sold during a Quarter shall be valued at the price realized by CONTRACTOR.

SECTION 13

NATURAL GAS

13.1 Any Natural Gas produced from the Contract Area, to the extent not used in Petroleum Operations there under, may be flared if the processing or utilization thereof is not economical. Such flaring shall be permitted to the extent that Natural Gas is not required to effectuate the economic recovery of Petroleum by secondary recovery operations, including repressuring and recycling.

13.2 In the event, however, CONTRACTOR considers that the processing and utilization of Natural Gas is not economical, then MOGE may choose to take from the outlet of the producing facilities at no cost to the CONTRACTOR and utilize such Natural Gas, free of charge that would otherwise be flared. All costs and liabilities related to the taking and handling of such gas shall be the exclusive responsibility of MOGE and for its sole account and risk.

13.3 If, upon completion of an Appraisal Programme, CONTRACTOR considers that a Discovery of Natural Gas is significant but not then economical for development but may become so within seven (7) years, it may, without prejudice to the relinquishment provisions under Section 4 and the notice provisions under Section 7 with respect to the remainder of the Contract Area, retain the Discovery Area and at any time within such seven (7) year period re-evaluate the economic viability of development and declare a Commercial Discovery. MOGE and CONTRACTOR shall jointly make every effort to establish an economically viable gas project based on the Discovery and shall negotiate appropriate terms for such a project. Multiple extensions of one (1) year each shall be made available to CONTRACTOR if justified by market conditions. MOGE approval for such extensions shall not be unreasonably denied. CONTRACTOR shall relinquish such Discovery Area upon request of MOGE if a Development Plan has not been proposed within the seven (7) year period of retention or during any extension granted.

SECTION 14

DOMESTIC CRUDE OIL AND NATURAL GAS REQUIREMENT

14.1 The CONTRACTOR including MOGE pursuant to Section 19, shall after the Commencement of Commercial Production of Crude Oil, fulfill its obligation toward the supply of the domestic Crude Oil market in Myanmar by making a share of its entitlement of Crude Oil available to MOGE. CONTRACTOR's obligatory share of the domestic market obligation will be twenty percent (20%) of the Crude Oil allocated to CONTRACTOR under Section 9.7. The price MOGE will pay CONTRACTOR for such Crude Oil shall be the equivalent of 90% of Fair Market Values as determined in accordance with Section 12 hereof, in US Dollars. Should the Government require amounts of Crude Oil in excess of that obligatory limit required to satisfy CONTRACTOR's domestic market obligation, the price shall be the value of Crude Oil as determined in accordance with Section 12 hereof, and the currency of payment shall be US Dollars. The CONTRACTOR shall be advised in writing by MOGE not less than ninety (90) days prior to the commencement of the deliveries. Notwithstanding the above CONTRACTOR's obligation shall not exceed the extent to which the Government shall make available U.S. Dollars which may be remitted abroad in payment of such excess Crude Oil.

14.2 CONTRACTOR shall receive payment for Crude Oil sold to MOGE pursuant to this Section 14 within forty five (45) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE. In the event CONTRACTOR has not received payment within such forty five (45) day period, CONTRACTOR shall be entitled to interest, compounded monthly at LIBOR plus three percent (3%) on all unpaid amounts commencing on the forty sixth (46th) day. As used herein, LIBOR means the average interbank offered rate for one (1) month U.S. Dollar deposits in the London market, as reported in the Wall Street Journal (New York edition) or if not published, then in the Financial Times of London, on the date the interest commences to accrue.

14.3 If CONTRACTOR has not received payment within ninety (90) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE pursuant to this Section 14, the CONTRACTOR's obligation to deliver Crude Oil pursuant to Sections 9 and 10, may, at CONTRACTOR's exclusive option, be suspended until such time as all payment (including interest) that are more than ninety (90) days past due are received. In order to collect past due amount, CONTRACTOR shall also have the right to lift and freely export relevant quantities of Crude Oil out of Royalty taken under Section 10 and MOGE's entitlement of Crude Oil under Sections 9.4 and 9.7, the value of which under Section 12 equals the amount owed by MOGE to CONTRACTOR, including accrued interest.

14.4 The provisions of Sections 14.1, 14.2 and 14.3 shall apply, mutatis mutandis, to the production of Natural Gas, provided, however that CONTRACTOR's obligatory share of the domestic market obligation will be twenty-five percent (25%) of the Natural Gas allocated to CONTRACTOR under Section 9.7.

14.5 Notwithstanding the above,

(a) CONTRACTOR shall give priority to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar. If downstream industries in Myanmar cannot utilize the discovered Natural Gas and/or Crude Oil, CONTRACTOR can freely dispose of in consultation and on agreement with MOGE.

(b) In the event, CONTRACTOR considers that the Commercial Discovery is economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR will use its utmost efforts to utilize the Natural Gas and/or Crude Oil in order to produce Value Added Petroleum Downstream Products as soon as possible in consultation with MOGE under separate contract.

(c) In the event, MOGE and CONTRACTOR consider that the Commercial Discovery is not economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR shall have the right during the term hereof to freely dispose of and export or sell domestically its share of Natural Gas and/or Crude Oil and retain abroad the proceeds obtained therefrom.

SECTION 15

EMPLOYMENT AND TRAINING

15.1 In conducting Petroleum Operations hereunder, CONTRACTOR shall select its employees and determine the number thereof. CONTRACTOR shall endeavor to employ qualified Myanmar citizens in accordance with the Foreign Investment Law, rules and regulation of the Republic of the Union of Myanmar. In doing so, CONTRACTOR shall submit a staffing plan for the Development and Production Operations at all levels up to the management level. The employment of Myanmar nationals shall be reviewed from time to time by the Management Committee.

15.2 CONTRACTOR shall spend a minimum of U.S. Dollars Seventy Five Thousand (US$ 75,000) per Contract Year during the Exploration Period of this Contract for one or more of the following purposes:

a) the purchase for MOGE of advanced technical literature, data and scientific instruments;

b) to send qualified Myanmar nationals to selected accredited universities; and

c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

15.3 Starting with the first Contract Year commencing after the commencement of the Development and Production Period for the first Development and Production Area, CONTRACTOR's minimum expenditure commitment under this Section shall be increased to U.S. Dollars One Hundred and Twenty Five Thousand (US$ 125,000) per Contract Year.

15.4 The expenditure of sums for the purposes specified above shall be spent in consulting with MOGE.

15.5 If training expenditures fall short of the minimum training expenditure obligations for a year, the deficiency shall be carried forward and expended in succeeding years. If training expenditures in any Contract Year exceed the minimum training expenditure obligation for that Contract Year the excess shall be credited to the training expenditure obligations for succeeding Contract Years.

15.6 All expenditures made pursuant to this Section 15 relating to training and education, including any payments made to MOGE pursuant to Section 15.7, shall be fully recoverable from Cost Petroleum pursuant to Section 9.

15.7 The CONTRACTOR shall establish a research & development fund in the sum of zero point five (0.5) percentage of its share of Profit Petroleum and the expenditure of this fund will be determined in consultation with MOGE and shall be cost recoverable under Section 9.

SECTION 16

TITLE OF ASSETS

16.1 CONTRACTOR's physical assets which are acquired for purposes of the Petroleum Operations shall become the property of MOGE and shall be cost recoverable by CONTRACTOR pursuant to Section 9, upon importation into Myanmar or upon acquisition in Myanmar. Data, information, reports and samples acquired or prepared by CONTRACTOR for the Petroleum Operations shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9 when acquired or prepared.

16.2 The physical assets, referred to in Section 16.1 shall remain in the custody of CONTRACTOR during the term of this Contract and CONTRACTOR shall have the unrestricted and exclusive right to use such assets in the Petroleum Operations free of charge subject to the provisions of Section 17. CONTRACTOR may retain and freely use, within or outside Myanmar, copies of all data, information and reports and representative portions of all samples, including but not limited to geologic, core, cutting and Petroleum samples.

16.3 The provisions of Section 16.1 shall not apply to assets rented or leased by CONTRACTOR or its Affiliates; nor to assets owned by CONTRACTOR's contractor, subcontractors, its / their Affiliates or other parties.

16.4 For the purpose of this Section, in the event of the replacement or transfer of the motor vehicles used by CONTRACTOR in Petroleum Operations, occurs during the term of this Contract or the expiration or termination of this Contract, CONTRACTOR shall hand-over or transfer such motor vehicles to MOGE in good condition and running status.

SECTION 17

RIGHTS AND OBLIGATIONS OF MOGE AND CONTRACTOR

17.1 MOGE shall:

a) have and be responsible for the management of the operations contemplated hereunder, however MOGE shall assist and consult with CONTRACTOR with a view to the fact that CONTRACTOR is responsible for the execution of the Work Program;

b) i) except as provided in Section 17.2 (c) and 17.2 (d) below, and in Section 9.11, assume and discharge all Myanmar's taxes imposed upon CONTRACTOR, its contractors and subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum, including import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contractors for Petroleum Operations;

ii) assume and discharge all exactions applicable under the laws of the Republic of the Union of Myanmar in respect of property, capital, net worth and operations, including any tax imposed upon goods procured domestically, sales, gross receipts or transfers of property, or any levy on or in connection with operations performed hereunder by CONTRACTOR, its contractors or its subcontractors, during the Study Period, Exploration Period and the following period (if any) in which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum;

iii) not be obliged to pay taxes on tobacco, liquor, and other taxes charged on goods and services, import and export duties, customs duties and sales tax and any other tax levied upon articles imported for personal use by the CONTRACTOR, its contractors and sub-contractors employees engaged in Petroleum Operations under this Contract;

c) assist and expedite CONTRACTOR's execution of the Work Programme by providing at cost facilities supplies and personnel including, but not limited to, supplying or making available all necessary visas, work permits, transportation, security protection and rights of way and easements as may be requested by CONTRACTOR and made available from the resources under MOGE's control. In the event such facilities, supplies, or personnel are not readily available, then MOGE shall promptly secure the use of such facilities, supplies and personnel from alternative sources. Expenses thus incurred by MOGE at CONTRACTOR's request shall be reimbursed to MOGE by CONTRACTOR and included in the Petroleum Cost. Such reimbursements will be made in U.S. Dollars computed at the prevailing market rate through authorized dealer bank at the time the expenses were incurred;

d) have title to all original data resulting from the Petroleum Operations including but not limited to geological, geophysical, petrophysical and engineering data, well logs and completion status reports and any other data as CONTRACTOR may compile during the term hereof for which CONTRACTOR is entitled to retain copies;

e) to the extent that it does not interfere with CONTRACTOR's performance of the Petroleum Operations reasonable use of equipment which becomes its property by virtue of this Contract solely for the Petroleum Operations or for any alternative purpose, provided that approval of CONTRACTOR is first obtained;

f) have the right to consult with CONTRACTOR regarding the immediate removal and replacement of any of the CONTRACTOR's employees at the cost of the CONTRACTOR, if in the consideration of MOGE the employee is incompetent in his work and/or unacceptable to MOGE by reason of his acts or behavior;

g) take best efforts to assist CONTRACTOR to obtain all the permits, clearances, licenses and approvals necessary for the performance of this Contract in Myanmar pursuant to Section 5.1;

h) appoint its authorized representative with respect to this Contract; and

i) assist CONTRACTOR by taking such measures as may be requested by CONTRACTOR to avoid double taxation so that CONTRACTOR's income taxes are creditable for income tax purpose, provided that such request is consistent with the laws of Myanmar.

17.2 CONTRACTOR shall;

a) furnish all funds as may be necessary for the entire Petroleum Operations executed pursuant to this Contract;

b) be responsible to conduct Petroleum Operation in accordance with the good international petroleum industry practices.

c) be responsible to withhold and pay the withholding tax for the payments made for goods and services and the appropriate authorities income tax from payments made to its expatriate employees to the extent required to do so under the Income Tax Law of the Republic of the Union of Myanmar and require CONTRACTOR's contractors and subcontractors to withhold and pay such income tax payments;

d) be responsible to pay to appropriate authorities import duties, customs duties, sales tax and other duties levied on motor vehicles brought into Myanmar for personnel use and not for field use by CONTRACTOR, its contractors and sub-contractors, in addition, except as provided in Section 17.1(b) above, be responsible to pay to appropriate authorities import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by

CONTRACTOR, its contractors and sub-contracts for Petroleum Operation during the period from the date which the CONTRACTOR commences the sales and purchase of Petroleum produced hereunder to the date of termination occurs under Section 25 hereof. The cost and expenses incurred shall be Cost Recoverable as Petroleum Costs under Section 9.4;

e) be responsible for execution of Work Programme which shall be implemented in a work-man like manner and CONTRACTOR shall take such precautions for protection of navigation and fishing and CONTRACTOR shall be responsible to conduct Petroleum Operations in accordance with the applicable provisions of the International Financing Corporation Performance Standards (2012), the World Bank Group Environmental, Health and Safety Guidelines for Offshore Oil & Gas Development (2007), good international petroleum industry practices and the laws, regulations and directives of the Republic of the Union of Myanmar with respect to Environmental and Social protection. The steps to carry out these obligations shall be instituted into the Work programmed. It is also understood that the execution of the Work Programme shall be exercised so as not to conflict with the laws of the Republic of the Union of Myanmar as they exist as of the Effective Date;

f) be responsible to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar as priority referred to in Section 14.5.

g) be entitled to import CONTRACTOR's physical assets on Investment Basis as well as import CONTRACTOR's leased property, property of its contractors and its subcontractors on Drawback Basis;

h) be entitled to export all property which are imported on Drawback Basis;

i) have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, benefits or interests under this Contract to an Affiliate or with the prior written consent of MOGE to other third parties; the consent by MOGE on this matter shall not be unreasonably withheld;

Provided that notwithstanding anything contained elsewhere in the Contract, according to the Myanmar Income Tax Law CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer to a non-Affiliate other than MOGE of the interests under this Contract or of the shares in the Company, registered under Section 5.1.

(1)	If the amount of Net Profit arising from the said sale or transfer is up to and including US$100 million	40%
(2)	If the amount of Net Profit arising from the said sale or transfer is above US$100 million and up to and including US$150 million	45%
(3)	If the amount of Net Profit arising from the said sale or transfer is over US$150 million	50%

j) have the right of access to and from the Contract Area and to and from facilities wherever located at all times;

k) after entering the Initial Exploration Period, submit to MOGE daily drilling reports (where applicable) and weekly and monthly progress reports;

l) submit to MOGE copies of all such original geological, geophysical, drilling, well, production and any other data and reports, including interpretive reports, relating to the Contract Area as it may compile during the term hereof;

m) as required under Section 15, prepare and carry out plans and programmes for industrial training and education of Myanmar nationals selected by MOGE from its staff for all job classifications with respect to operations contemplated hereunder;

n) appoint authorized representative for Myanmar with respect to this Contract, who shall have an office in Yangon.Such representative shall represent CONTRACTOR in the conduct of Petroleum Operations hereunder;

o) unavoidably give preference to and require its contractors and subcontractors to give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;

p) unavoidably execute Petroleum Operations in accordance with the Work Programme utilizing twenty-five (25) percent of the approved Budget for each Financial Year for goods and services that are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required, subject to the approval of MOGE unless otherwise agreed upon by both parties;

q) procure such goods and services for the execution of the Work Programme through international tender procedures approved by MOGE unless otherwise agreed upon by both Parties;

r) allow duly authorized representatives of MOGE to have reasonable access to the Contract Area and to the operations conducted thereon. Such representatives may examine data, books, register and records of CONTRACTOR, and make a reasonable number of surveys, drawings and tests for the purpose of enforcing this Contract. They shall, for such purpose, be entitled to make reasonable use of machinery and instruments of the CONTRACTOR. Each Party shall assume responsibility for the safety of its employees and representatives except in the case of gross negligence or willful misconduct of the other Party. Such representatives shall be given reasonable assistance by the agents and employees of the

CONTRACTOR so that none of their activities shall endanger or hinder the safety or efficiency of the operations. The CONTRACTOR shall offer such representatives all privileges and facilities accorded to its own employees in the Contract Area and shall provide them, free of charge, the temporary use of reasonable office space while they are in the Contract Area and transportation facilities for them to and from the Contract Area for the purpose of facilitating the objectives of this Section;

s) have the right to use and have access to and MOGE shall furnish all geological, geophysical, drilling, well production and other information held by MOGE or by any other governmental agency or enterprise, relating to the Contract Area including but not limited to well location maps;

t) have the right to use and have access to and MOGE shall make available so far as possible, all geological, geophysical drilling, well production and other information now or in the future held by it or by any other governmental agency or enterprise relating to the areas adjacent to the Contract Area;

u) shall employ safety precautions and safe working practices during the Petroleum Operations as are consistent with international petroleum practices;

v) prior to the Petroleum Operations commencement date nominate a person to act as the safety officer of CONTRACTOR who shall be the representative directly responsible for enforcing CONTRACTOR's safety rules;

w) not be liable to MOGE or the Government for special, indirect or consequential damages resulting from or arising out of the Petroleum Operations, including without limitation, loss of profit business interruption or the inability to produce Petroleum;

x) subject to Section 17.2 (q), have the right to freely import all materials, equipment and supplies required in connection with the performance of the Petroleum Operations;

y) require its contractors and sub-contractors to :

    i) export from the Republic of the Union of Myanmar all materials equipment and supplies (other than those consumed in the operations) within four (4) months from the expiration or termination date of the contract under which such materials, equipment and supplies were imported; and

    ii) be responsible for all such taxes and duties attributable to such items not exported within such four (4) month period;

z) establish an office within Myanmar to coordinate the operations to be conducted within the Contract Area;

aa) CONTRACTOR and its personnel, while in Myanmar, shall respect and abide by all laws and regulations of Myanmar, and shall refrain from interfering in the internal affairs of the Republic of the Union of Myanmar;

bb) be responsible to conduct environmental impact assessment (EIA) and social impact assessment (SIA) and to development of Environmental Management Plan (EMP) and implementation for the environmental protection and management in the Contract Area in accordance with the laws, rules, regulations, directive and notifications of the Republic of the Union of Myanmar in conformity with international petroleum industry's practices with respect to the environment protection and mitigation;

cc) collaborate with MOGE to implement the Extractive Industries Transparency Initiative;

dd) expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the code of conduct of each CONTRACTOR Party; and

ee) after the expiration or termination of this Contract, or relinquishment of part of the Contract Area, or abandonment of any field, prearrange to remove all equipment and installations from the area in a manner acceptable to MOGE, and perform all necessary site restoration activities in accordance with the applicable rules and regulations of the Government of the Republic of the Union of Myanmar and international petroleum industry practices to prevent hazards to human life and property of others or environment. Abandonment costs shall be recoverable from Cost Petroleum under Section 9.

SECTION 18

MANAGEMENT COMMITTEE

18.1 MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programmes. For the purpose of the proper implementation of this Contract, the Parties shall establish a Management Committee ("**Management Committee**") within forty-five (45) days from the Commencement of the Operation Date. The Management Committee shall have overall supervision and management of Petroleum Operations including approved Works Programmes and Budgets. The duties and responsibilities of the Management Committee shall be as prescribed in Annexure "E".

SECTION 19

STATE PARTICIPATION

19.1 MOGE shall have the right to demand from CONTRACTOR that up to twenty percent (20%) undivided interest in the total rights and obligations under this Contract be offered after Commercial Discovery. MOGE shall have the option to increase the undivided interest in the total rights and obligations under this Contract up to twenty five percent (25%) if the reserve is greater than five (5) trillion cubic feet on Barrels of Oil Equivalent (BOE) basis.

19.2 The right referred to in Section 19.1 shall lapse unless exercised by MOGE not later than ninety (90) days after CONTRACTOR's notification by registered letter to MOGE of its first Discovery of Petroleum in the Contract Area, which in the judgment of CONTRACTOR after consultation with MOGE can be produced commercially. MOGE shall make its demand known to CONTRACTOR by registered letter.

19.3 CONTRACTOR shall make its offer by registered letter to MOGE within thirty (30) days after receipt of MOGE's registered letter referred to in Section 19.2. CONTRACTOR's letter shall be accompanied by a copy of this Contract and a Draft Operating Agreement embodying the manner in which CONTRACTOR and the MOGE shall cooperate. The main principles of the Draft Operating Agreement are contained in Annexure "F" to this Contract.

19.4 The offer by CONTRACTOR to the MOGE shall be effective for a period of one hundred and eighty (180) days. If MOGE has not accepted this offer by registered letter to CONTRACTOR within the said period, CONTRACTOR shall be released from the obligation referred to in this Section.

19.5 In the event of acceptance by MOGE of CONTRACTOR's offer, MOGE shall be deemed to have acquired the undivided interest on the date of CONTRACTOR's notification to MOGE referred to in Section 19.2.

19.6 For the acquisition of an undivided interest in the total of the rights and obligations arising out of this Contract, MOGE shall reimburse CONTRACTOR an amount equal to the percentage interest acquired by MOGE pursuant to Section 19 of the sum of Petroleum Costs which CONTRACTOR has incurred for and on behalf of its activities in the Contract Area as from the Commencement of the Operation Date up to the date of MOGE's notification to CONTRACTOR exercising the rights mentioned in Section 19.1, in addition to the same percentage of Data Fee and the bonuses paid by the CONTRACTOR under Section 11 of this Contract. All costs incurred after such election shall be covered by the Operating Agreement between MOGE and the CONTRACTOR.

19.7 At the option of MOGE, the amount referred to in Section 19.6 shall be reimbursed:

a) either by transfer of the said amount by MOGE within three (3) months after the date of its acceptance of CONTRACTOR's offer referred to in

Section 19.3, to CONTRACTOR's account with the banking institution to be designated by CONTRACTOR in the currency in which the relevant costs have been financed or

b) by way of payment out of production of fifty percent (50%) of MOGE's production entitlements under this Contract (either as MOGE or CONTRACTOR) valued in the manner as described in Section 12 of this Contract commencing on the Commencement of Commercial Production.

19.8 At the time of its acceptance of CONTRACTOR's offer, MOGE shall state whether it wishes to reimburse in cash or out of its production entitlements in the manner indicated in Section 19.7.

19.9 If at any time MOGE wishes to dispose of all or part of its undivided interest, the CONTRACTOR shall have the right to acquire such undivided interest from MOGE on the same terms and conditions as agreed to by MOGE and the proposed transferee. The procedure to be followed will be detailed in the Operating Agreement referred to in Section 19.6.

SECTION 20

FORCE MAJEURE

20.1 In the event Force Majeure hinders, prevents or delays performance of any obligation under this Contract or the performance of any Petroleum Operations planned by CONTRACTOR for the purpose of fulfilling any such obligation:

a) the failure or delay in performance, unless due to non-availability of funds, shall be excused and the affected Party's obligations under the Contract shall be suspended while the Force Majeure continues and for a reasonable time thereafter sufficient for the affected Party to place itself in the same position as immediately prior to the occurrence of Force Majeure, and

b) the period of suspension shall be added to the term of this Contract and all designated deadlines and time periods for making payments and performing Petroleum Operations under the Contract shall be extended accordingly.

20.2 For purposes of this Contract "Force Majeure" means any event beyond the reasonable control of the Party invoking it. By way of illustration only, Force Majeure includes but shall not be limited to strikes, active hostilities or imminent threat of hostilities, blockades, riots, insurrection, fire, epidemics, natural phenomena or calamities, acts of public authorities, acts of God, substantial non-availability of services or equipment, substantial breakdown of equipment and accidents provided always that the foregoing incidents are beyond the reasonable control of the Party invoking Force Majeure.

20.3 The affected Party shall give notice to the other Party as soon as possible stating the cause of the failure or delay in performance. Similarly, it shall give notice as soon as normal conditions are restored.

20.4 The Parties shall take all reasonable measures to remove the cause for such failure or delay in performance and to minimize the consequences of any event of Force Majeure.

20.5 Neither Party shall be entitled to make any claim against the other Party for any expenses incurred due to Force Majeure.

20.6 CONTRACTOR shall have the right to terminate this Contract and shall be discharged from all obligations hereunder, specifically including the obligation to perform the minimum work commitments under Section 5.2 and the obligation to pay any deficiency under Section 5.3, if Force Majeure should continue for a period of at least twenty-four (24) consecutive months.

SECTION 21

GOVERNING LAW, JURISDICTION AND INALIENABLE RIGHTS

21.1 This Contract shall be governed by and construed and interpreted in all respects in accordance with the laws of the Republic of the Union of Myanmar.

21.2 Without prejudice to Section 22.2, the Parties hereby agree to submit to the jurisdiction of the relevant Court of Myanmar and all Courts competent to hear appeals there from.

21.3 Subject to Section 8(b) of the State-owned Economic Enterprises Law 1989, no term or provisions of this Contract, including the agreement of the Parties to submit to Arbitration herein, shall prevent or limit the Government of the Republic of the Union of Myanmar from exercising its inalienable rights on its natural resources.

SECTION 22

CONSULTATION AND ARBITRATION

22.1 Periodically, MOGE and CONTRACTOR shall meet to discuss the conduct of the Petroleum Operations envisaged under this Contract and will make every effort to settle amicably any problem arising there from.

22.2 Any and all disputes, controversies, or claims between the Parties or its Affiliates arising out of or relating to this Contract or the performance, breach, termination, or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said rules, one (1) for the MOGE, one (1) for the CONTRACTOR, the third one to be designated in accordance with the said Rules.

22.3 The place of arbitration shall be Singapore with administration by the Singapore International Arbitration Centre ("SIAC") in accordance with its Practice Note on UNCITRAL cases. The language of the arbitration shall be English.

22.4 In rendering an award, the arbitrators shall take account of the laws of the Republic of the Union of Myanmar.

22.5 The arbitral award shall be final and binding on all Parties on the matter under arbitration save in the event of:

i) fraud;

ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;

iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence; or

iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

In which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules.

Once final, judgment may be entered on the arbitral award by any court of competent jurisdiction.

Each Party agrees that its rights and obligations under this Contract are of a commercial nature. To the extent that a Party may be entitled to claim for itself or any of its assets immunity (whether sovereign or otherwise), each Party waives any claim to immunity in connection with any effort to enforce or execute any order, judgment, award or other remedy.

22.6 Each Party shall continue fully to perform all of its obligations under this Contract, other than those subject to the dispute submitted to arbitration, during the pendency of the determination.

SECTION 23

BANKING

23.1 CONTRACTOR shall supply CONTRACTOR's share of all funds necessary for Petroleum Operations in Myanmar in freely convertible currency from abroad except to the extent that Myanmar currency is generated in connection with the performance of the Petroleum Operations.

23.2 CONTRACTOR in accordance with the Foreign Investment Law and the Foreign Exchange Management Law of the Republic of the Union of Myanmar existing as of the date hereof, shall open and maintain foreign bank accounts in Myanmar at authorized banks and to receive abroad, remit abroad, retain abroad and use the entirety of the foreign exchange proceeds which are received from export and local sales of its share of Petroleum from the Contract Area or which are in any way generated in connection with the performance of the Petroleum Operations.

23.3 CONTRACTOR shall be entitled to purchase Myanmar currency at authorized banks whenever required for the Petroleum Operations and to convert into freely convertible foreign currency any excess Myanmar currency which is not then needed for local requirements.

23.4 Normal bank commissions and costs of transfers relating to currency conversions or remittances shall be borne by CONTRACTOR and shall be recoverable from Cost Petroleum.

23.5 CONTRACTOR shall be entitled to pay its foreign-controlled contractors and subcontractors and its expatriate employees in foreign currency abroad, and such contractors, subcontractors and expatriate employees shall be entitled to receive and retain such foreign currency abroad.

23.6 The provisions of Sections 23.2, 23.3, 23.4 and 23.5 shall also apply to CONTRACTOR's expatriate employees and CONTRACTOR's foreign controlled contractors, subcontractors and their expatriate employees.

23.7 Unless otherwise expressly agreed, all payments by CONTRACTOR to MOGE or the Government hereunder and all payment by MOGE or the Government to CONTRACTOR hereunder shall be made in U.S. Dollars at a bank in Myanmar or abroad as specified by the recipient.

SECTION 24

INSURANCE

24.1 As to all operations performed by the CONTRACTOR under this Contract, the CONTRACTOR shall secure and maintain insurance in accordance with Foreign Investment Law and rules and procedures relating to the Foreign Investment Law, to the extent that all such insurances are available in the local market. CONTRACTOR, however, may provide such insurance coverage to fulfill the requirements hereunder through the use of any world-wide policy or policies with Certificates of Insurance evidencing such coverage and containing a statement that such insurance shall not be materially changed or canceled without at least thirty (30) days prior written notice.

24.2 The CONTRACTOR shall require that its contractors and subcontractors procure similar insurance to those required to be procured by the CONTRACTOR and such additional insurances as CONTRACTOR shall deem appropriate, all to be evidenced by Certificates of Insurance.

24.3 To eliminate controversy, the expense and inconvenience thereof, as between MOGE and the CONTRACTOR, it is agreed that the insurance policies shall be endorsed so that the underwriters, insurers and insurance carriers of each with respect to this Contract shall not have any right of recovery against either of the Parties hereto or their representatives in any form whatsoever, and the rights of recovery with respect to this operation are mutually waived. All policies of insurance herein provided and obtained or required by either Party shall be suitably endorsed to effectuate this waiver of recovery.

SECTION 25

TERMINATION

25.1 This Contract may be terminated by the CONTRACTOR by giving not less than ninety (90) days written notice to MOGE provided, however, CONTRACTOR may not so terminate this Contract during the Exploration Period or any extension thereof prior to fulfilling the applicable conditions specified in Section 5.

25.2 This Contract shall be terminated in its entirety by MOGE if it is proved that the CONTRACTOR, acting as a company and not including actions of its employees, intentionally and knowingly is involved in political activities detrimental to the Republic of the Union of Myanmar. On such termination, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.3 If the CONTRACTOR is in material breach of any of its obligations under this Contract, MOGE shall give notice to remedy such breach within sixty (60) days. If CONTRACTOR fails to remedy such breach within the said sixty (60) days, MOGE shall have the right to terminate this Contract by delivering a notice of termination to the CONTRACTOR. Once terminated, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.4 Subject to earlier termination upon notice by CONTRACTOR pursuant to Section 25.1, this Contract shall automatically terminate in its entirety on the later of the occurrence of one of the following events:

a) If there is no Commercial Discovery of Petroleum in the Contract Area during the Exploration Period or extension thereof;

b) At the end of the Development and Production Periods relating to all Development and Production Areas within the Contract Area; or

c) At the end of the Natural Gas/Crude Oil commercialization period or extension provided for in Section 13.3.

SECTION 26

BOOKS AND ACCOUNTS AND AUDITS

26.1 Subject to the requirement of Section 17.2, CONTRACTOR shall be responsible for keeping complete books and accounts with the assistance of MOGE reflecting all Petroleum Costs as well as monies received from the sale of Petroleum, consistent with international petroleum industry practices and proceedings as described in Annexure "C" attached hereto. Should there be any inconsistency between the provisions of this Contract, and the provisions of Annexure "C", then the provisions of the Contract shall prevail.

26.2 MOGE and the Government shall have the right to inspect and audit CONTRACTOR's books and accounts relating to this Contract for any Financial Year covered by this Contract following the end of the Financial Year. Any exception must be made in writing within sixty (60) days following the completion of such audit. Such audit shall be performed within two Financial Years after the closing of the related Financial Year.

SECTION 27
GENERAL PROVISIONS

27.1 Notices

a) Notices and other communications required or permitted to be given under this Contract shall be deemed given when delivered and received in writing either by hand or through the mail, or facsimile, appropriately addressed as follows:

to MOGE:

i) By hand or mail: MYANMA OIL AND GAS ENTERPRISE
BUILDING NUMBER 44, NAY PYI TAW,
REPUBLIC OF THE UNION OF MYANMAR.

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: +95 67 411125

to CONTRACTOR PARTIES:

RELIANCE INDUSTRIES LIMITED

I) By hand or mail: RELIANCE CORPORATE PARK, 12B 2ND FL
THANE BELAPUR ROAD, GHANSOLI,
NAVI MUMBAI 400701, INDIA

ATTENTION: PRESIDENT
STRATEGY & BUSINESS DEVELOPMENT

ii) By Facsimile: +91 22 2760 0606

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

i) By hand or mail: NO. 35, ZAYYA THUKHA 3RD STREET,
BLOCK 54, THUWANA, THINGANKYUN
TOWNSHIP, YANGON
REPUBLIC OF THE UNION OF MYANMAR

ATTENTION: CHIEF EXECUTIVE OFFICER

ii) By Facsimile: +95 1 570 366

b) any notice given by hand delivery or registered mail shall be deemed given at the time of delivery and any notice given by facsimile shall be deemed to be given at the time transmission has been confirmed provided however, where the time of transmission falls outside the normal business hours of the recipient, delivery shall be deemed to be given at 09:00 hours (recipient's local time) on the next following business day at the location of the receipt.

c) MOGE and CONTRACTOR may change its address or addresses by giving notice of the change to each other.

27.2 Language of Text

This Contract is made and entered into in the English Language.

27.3 Effectiveness

This Contract shall be legally binding on and from the Effective Date.

27.4 Covenants Against Undue Influence

The Parties agree that they will comply with applicable anti-corruption laws of the Republic of the Union of Myanmar.

27.5 Secrecy

a) Contractor undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations in the Republic of the Union of Myanmar. The CONTRACTOR understands fully that this undertaking and obligation is a continuing one which will be binding also on its successors, legal representatives and permitted assigns, until such time when MOGE agrees in writing to release CONTRACTOR from its undertakings and obligations. CONTRACTOR may disclose data and information to government authorities if required by law and, in order to facilitate the conduct of the Petroleum Operations may also disclose data and information to affiliates, its contractors, consultants and bone fide prospective assignees provided that the CONTRACTOR obtains an undertaking by the recipient to maintain such data in strictest secrecy and confidence.

b) MOGE may use at its own discretion all the data and information obtained during the course of operations in the Republic of the Union of Myanmar but shall undertake to maintain such data and information in strictest secrecy and confidence during the term of this Contract.

27.6 Change of Conditions

In the event that any situation or condition arises due to circumstances not envisaged in the Contract that warrants amendments to the Contract the Parties shall negotiate and make the necessary amendments.

27.7 Stabilization

If a material change occurs to the CONTRACTOR's economic benefits after the Commencement of the Operation Date of the Contract due to the promulgation of new laws decrees, rules and regulations, any amendment to the applicable laws, decrees, rules and regulations or any reinterpretation of

any of the foregoing made by the Government, the Parties shall consult promptly and make all necessary revisions or adjustment to the relevant provisions of the Contract in order to maintain the CONTRACTOR's normal economic benefit hereunder.

27.8 Entire Agreement

This Contract supersedes all prior understandings and agreements of the Parties and may not be modified by any means except by written instrument signed by both Parties. The Contract is to be read, interpreted and enforced as a single, indivisible fully integrated agreement representing the entire expression of the Parties in writing with respect to the subject matters therein contained.

IN WITNESS WHEREOF, this Contract has been executed by a duly authorized signatory of each respective Party named below at Nay Pyi Taw, the Republic of the Union of Myanmar as of the day and year first above mentioned.

Signed, sealed and delivered
for and on behalf of

MYANMA OIL AND GAS ENTERPRISE

____
U MYO MYINT OO
MANAGING DIRECTOR

Signed, sealed and delivered
for and on behalf of

RELIANCE INDUSTRIES LIMITED

____
NAME
TITLE

For and on behalf of
UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

____
NAME
TITLE

WITNESS:

____
U PE ZIN TUN
DIRECTOR GENERAL
ENERGY PLANNING DEPARTMENT

____
NAME
TITLE
RELIANCE INDUSTRIES LIMITED

____
NAME
TITLE
UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

ANNEXURE "A" DESCRIPTION OF CONTRACT AREA

This Annexure "A" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2014

DESCRIPTIONOF CONTRACT AREA

TANINTHARYI OFFSHORE BLOCK M-18

BLOCK M-18 COORDINATES

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	10° 19' 00"	96° 19' 00"
B	10° 19' 00"	98° 00' 00"
C	09° 33' 00"	98° 00' 00"
D	09° 41' 00"	97° 26' 36"
E	09° 46' 00"	96° 29' 35"
F	09° 45' 00"	96° 19' 00"
A	10° 19' 00"	96° 19' 00"

Area of Block M-18= 5,144 Sq. Miles.

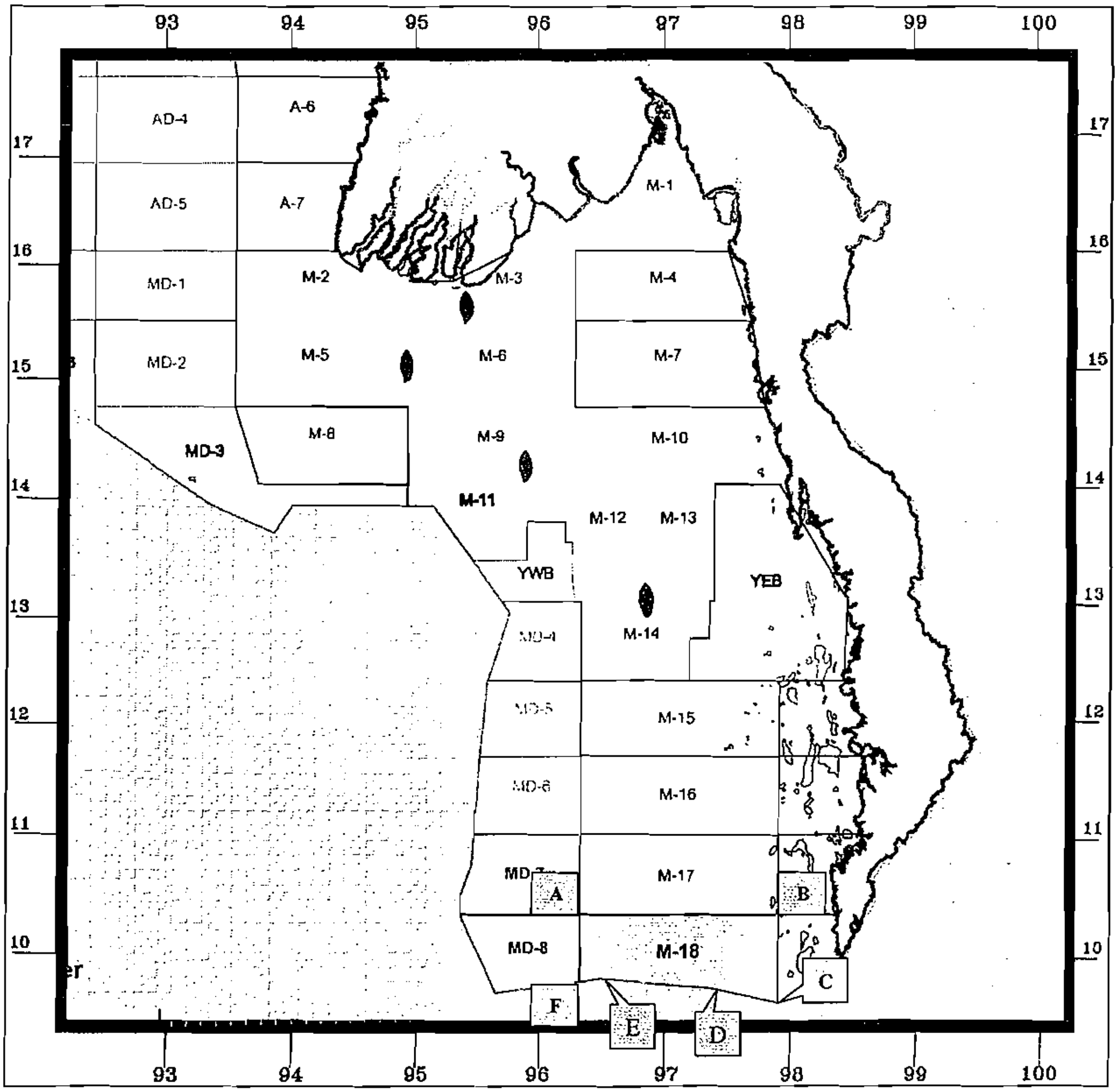
Note: **Block M-18** ***boundary is defined by the coordinate above and defined as three (3) nautical miles from mainland shore and further defined with an exclusion zone of one (1) nautical mile from the shore of recognized islands.***

ANNEXURE "B" MAP OF CONTRACT AREA

This Annexure "B" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2014.

MAP OF CONTRACT AREA



ANNEXURE "C" ACCOUNTING PROCEDURE

This Annexure "C" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: 2014

ACCOUNTING PROCEDURE

ARTICLE 1- GENERAL PROVISIONS

This Accounting Procedure applies to and shall be observed in the establishment, keeping and control of all accounts, books and records of accounts under the Contract.

The Contract and this Accounting Procedure are intended to be correlative and mutually explanatory. Should however any discrepancy arise, then the provisions of the Contract shall prevail.

The Parties agree that if any procedure established herein proves unfair or inequitable to any Party, the Parties shall meet and endeavor to agree on the changes necessary to correct that unfairness or inequity.

For the purpose of the present Accounting Procedure, the term "CONTRACTOR" shall also include CONTRACTOR's Affiliates as may be necessary according to the context.

1.1 Definitions

1.1.1 The terms used in the Accounting Procedure have the same meanings as set out for the same terms in the Contract and otherwise in accordance with the provisions of the Contract.

1.1.2 "Capital Expenditures" means expenditures incurred for the purchase of tangible physical assets which by generally accepted international accounting principles of the international petroleum industry are classified as capital and the costs of which is amortizable. Such assets include but are not limited to:

- drilling and well equipment including wellheads, casing, pipe, flow lines and pumps;
- gathering systems including pipe, field storage, and crude oil separation and treatment plants and equipment;
- pipelines for the transportation of Petroleum to the point of export, sale or delivery;
- storage tanks and loading facilities at the point of export, sale or delivery; and
- any other plant, equipment or fixture in the Republic of the Union of Myanmar reasonably necessary to carry out Petroleum Operations.

1.1.3 "Controllable Material" means Material which the CONTRACTOR subjects to record control and inventory in accordance with good international petroleum industry practice.

1.1.4 "Material" means any equipment, machinery, materials, articles, supplies and consumable either purchased, or leased, or rented or transferred by CONTRACTOR and used in the Petroleum Operations.

1.2 Books and Record

Books and records of accounts will be kept in accordance with a generally accepted and recognized accounting system consistent with modern petroleum industry practices and procedures and in English language and U.S. Dollars, supplemented and supported by such books, records or entries in other currencies as may be necessary for completeness and clarity and to implement the Contract in accordance with its terms.

1.3 Currency Exchange

Any costs incurred or proceeds received, in currency other than U.S. Dollars including the currency of the Republic of the Union of Myanmar shall be converted into U.S. Dollars computed at the prevailing rate of exchange on the day on which the costs were paid or the proceeds were received.

1.4 Independent Auditor

The CONTRACTOR shall in consultation with MOGE, appoint an independent auditor of international standing, to audit annually the accounts and records of Petroleum Operations and report thereon, and the cost of such audit and report shall be promptly delivered to the MOGE and shall be chargeable under the CONTRACT.

ARTICLE 2 - PETROLEUM COSTS

2.1 The parties shall maintain a "Petroleum Costs Account" in which there shall be reflected all Petroleum Costs incurred in connection with the Petroleum Operations carried out under the provisions of the Contract.

Such Petroleum Costs shall be recoverable by the CONTRACTOR in accordance with the provisions of the Contract and as further set out below. Without limiting the generality of the foregoing, the costs and expenditures considered in 2.2 to 2.12 hereafter are included in Petroleum Costs.

Petroleum Costs shall be recoverable in following manner:

a) Operating Costs, including all tangible drilling costs, with the exception of the Capital Expenditure, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which these Operating Costs are incurred or the Financial Year in which commercial production occurs, whichever is the later.

b) Exploration and Appraisal Expenditures, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which commercial production occurs.

c) Capital Expenditures incurred in respect of each Development Area shall be recoverable at a rate of twenty five percent (25%) per annum based on amortization at that rate starting either in the Financial Year in which such Capital expenditures are incurred or the Financial Year in which commercial production from that Development and Production Area commences, whichever is the later.

d) Capital Expenditures, including but not limited to expenditure for aircraft, camps, offices, warehouses, vehicles, workshops, power plants, tools, and equipment, incurred outside of a Development and Production Area, shall be recoverable at a rate of twenty-five (25%) per annum, based on amortization at that rate starting either in the Financial Year in which such Capital Expenditures are incurred or the Financial Year in which commercial production from any Development and Production Area commences, whichever is the later, and shall be recoverable from any Development and Production Area(s).

e) Accrual of estimated abandonment costs shall be recoverable from the Financial Year in which commercial production from each Development and Production Area commences.

2.2 Labor and related costs

2.2.1 CONTRACTOR's locally recruited employees based in the Republic of the Union of Myanmar.

The actual cost of all CONTRACTOR's locally recruited employees who are directly engaged in the conduct of Petroleum Operations in the Republic of the Union of Myanmar. Such costs shall include the costs of employee benefits and Government benefits for employees and taxes and other charges levied on the CONTRACTOR as an employer, transportation and relocation costs within the Republic of the Union of Myanmar and costs of the employee and such employee's family (limited to spouse and dependent children), as statutory or customary for the CONTRACTOR.

2.2.2 Assigned personnel

The cost of the personnel of CONTRACTOR and its Affiliates resident in and working in the Republic of the Union of Myanmar for the Petroleum Operations under this Contract.

The cost of these personnel shall be the CONTRACTOR's actual cost according to CONTRACTOR's practice.

Actual cost includes, but is not limited to, free furnished accommodation in the Republic of the Union of Myanmar, medical and dental treatment

of the employee and immediate family, local schooling expenses and any other local employment cost paid by the CONTRACTOR.

2.2.3 Personnel of the CONTRACTOR and its Affiliates, based outside the Republic of the Union of Myanmar working for the Petroleum Operations on a time sheet basis under this Contract.

Such personnel shall be charged at rates which represent the CONTRACTOR and its Affiliates actual cost under this Contract. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside CONTRACTOR and its Affiliates home country, the hourly rate will be charged from the date such personnel leave the town where they usually work in CONTRACTOR and its Affiliates home country through their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employees from his employment in CONTRACTOR and its Affiliates home country. No charge will be made for overtime.

As early as possible in each Financial Year, the CONTRACTOR shall advise these hourly rates for each subsequent Year. They may be subject to revision from time to time at the CONTRACTOR's initiative.

2.2.4 Other personnel

Personnel working for the Petroleum Operations under this Contract outside the Republic of the Union of Myanmar for the CONTRACTOR and its Affiliates who are not on a time sheet basis shall be deemed compensated as per the administrative overheads set forth in subpart 2.11 below.

2.2.5 Provisions common to Subpart 2.2.2 and 2.2.3

Subpart 2.2.2 and 2.2.3 above have been agreed upon considering the present structure of the CONTRACTOR. Should the CONTRACTOR be charged, or should the CONTRACTOR change their present structure or organization, these subparts shall be revised accordingly.

2.2.6 Employees training expenses

Training expenses for the CONTRACTOR's employees resident in the Republic of the Union of Myanmar and the CONTRACTOR's contribution to training under Section 15 of the Contract.

2.3 Material

2.3.1 The cost of Material shall be charged to the Petroleum Costs Account on the basis set forth below.

The CONTRACTOR does not guarantee the Material. The only guarantees are the guarantees given by the manufactures or the vendors, as long as, they are in force.

2.3.1.1 Except as otherwise provided in Subpart 2.3.1.2 below, Material shall be charged at the actual net cost incurred by the CONTRACTOR. Net cost shall include, but shall not be limited to such items as the vendor's invoice price, packaging, transportation, loading and unloading expenses, insurance costs, duties, fees and applicable taxes less discounts actually received.

2.3.1.2 Material shall be charged at the price specified herein below:

a) New Material (Condition "A") shall be valued at the current international net cost which shall not exceed the price prevailing in normal arm's length transaction on the open market:

b) Used material (Condition "B", "C" and "D" and junk Material)

i) Material which is sound and serviceable condition and is suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy-five (75%) of the current price of new Material defined in a) above;

ii) Material which cannot be classified as Condition "B" but which after reconditioning will be serviceable for its original function shall be classified as Condition "C" and price at fifty percent (50%) of the current price of new Material as defined in a) above. The cost of reconditioning shall be charged to the reconditioned Material provided that the value of the Condition "C" Material plus the cost of reconditioning do not exceed the value of Condition "B" Material;

iii) Material which has a value and which cannot be classified as Condition "B" or Condition "C" shall be classified as Condition "D" and priced at value commensurate with its use.

iv) Material which is usable and which cannot be classified as Condition "B" or Condition "C" or Condition "D" shall be classified as junk and shall be considered as having no value.

2.3.2 Inventories

At reasonable intervals, inventories shall be taken by the CONTRACTOR of all controllable Material. The CONTRACTOR shall give sixty (60) days written notice of intention to take such inventories to allow the MOGE to choose whether to be represented (in which case the MOGE shall elect to accept the inventory taken by the CONTRACTOR).

2.4 Transportation and employee relocation costs

2.4.1 Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air freight, and customs clearance and other destination services.

2.4.2 Transportation of employees as required in the conduct of Petroleum Operations, including employees of the CONTRACTOR's whose salaries and wages are chargeable under subparts 2.2.2 and 2.2.3 of this Accounting Procedure.

2.4.3 Relocation costs for employees permanently of temporarily assigned to Petroleum Operations. Relocation costs from the vicinity of Petroleum Operations, except when an employee is reassigned to another location classified as a foreign location by the CONTRACTOR. Such costs include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the usual practice of the CONTRACTOR.

2.5 Services

2.5.1 The actual costs of contract services, professional consultants and other services performed by third parties.

2.5.2 Costs of use of facilities and equipment for the direct benefit of the Petroleum Operations, furnished by the CONTRACTOR, or third parties, at rates commensurate with the cost of ownership, or rental, and the cost of operation thereof, but such rates shall not exceed those currently prevailing in normal arm's length transactions on the open market for like services and equipment.

2.6 Damages and losses to material and facilities

All costs or expenses necessary for the repair or replacement of Material and facilities resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The CONTRACTOR shall furnish to the MOGE written notice of damages or losses for each occurrence or loss involving more than U.S. Dollars One Hundred Thousand (US$100,000) after the loss occurrence or as soon as practicable.

2.7 Insurance Claims

2.7.1 Premiums paid for insurance to cover the risks related to Petroleum Operations according to the CONTRACTOR's practice.

2.7.2 Actual expenditure incurred in the settlement of all losses, claims, damages, judgments, and other expenses (including legal expenses as set out below) for the benefit of the Petroleum Operations.

2.8 Legal Expenses

All costs or expenses of litigation or legal services otherwise necessary or expedient including but not limited to legal counsel's fees, arbitration costs, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These services may be performed by the CONTRACTOR's legal staff and/or an outside firm as necessary.

2.9 Charges and fees

i) All charges and fees which have been paid by the CONTRACTOR with respect to the Contract.

ii) All financing interests for the Capital Expenditures incurred during the Development Period of which interest rate shall be decided according to market prevailing rate at that time applicable to Myanmar or to be arranged by CONTRACTOR.

2.10 Offices, camps and miscellaneous facilities

Cost of establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities such as recreational facilities for employees. If these facilities serve more than one (1) contract area the costs thereof shall be allocated on an equitable basis.

2.11 General and administrative expenses

2.11.1 The services for all personnel of the CONTRACTOR as per subpart 2.2.4 as well as the contribution of the CONTRACTOR's to the Petroleum Operations of an intangible nature shall be deemed compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2 The basis for applying this overhead charge shall be the total Petroleum Costs incurred during each Financial Year or fraction thereof.

The sliding scale percentage shall be the following: -

For the first U.S. Dollars Five Million:	4%
For the next U.S. Dollars Three Million:	2%
For the next U.S. Dollars Four Million:	1%
Over U.S. Dollars Twelve Million:	0.5%

2.12 Other Expenditures

Any reasonable expenditure not covered or dealt with in the foregoing provisions which are incurred by the CONTRACTOR for the necessary and proper performance of the Petroleum Operations and the carrying out its obligations under the Contract or related thereto.

2.13 Credits under the contract

The net proceeds of the following transactions will be credited to the accounts under the Contract.

a) the net proceeds of any insurance or claim in connection with the Petroleum Operations or any assets charged to the accounts under the Contract.

b) revenue received from outsiders for the use of property or assets charged to the accounts under the Contract which have become surplus to Petroleum Operations and have been released to mitigate losses;

c) any adjustment received by CONTRACTOR from the suppliers/manufacturers or their agents in connections with defective equipment or material the cost of which was previously charged by the CONTRACTOR under the Contract;

d) rentals, refunds or other credits received by the CONTRACTOR which apply to any charge which has been made to the accounts under the Contract;

e) proceeds from all sales of surplus Materials charges to the account under the Contract, at the net amount actually collected.

2.14 No duplication of charges and credits

Notwithstanding any provision to the contrary in this Accounting Procedure, it is the intention that there shall be no duplication of charges or credits in the accounts under the Contract.

ARTICLE 3 - FINANCIAL REPORTS TO THE MOGE

3.1 The reporting obligations provided for in this Part shall apply to the CONTRACTOR and shall be in the manner indicated hereunder.

3.2 The CONTRACTOR shall submit to MOGE within thirty (30) days of the end of each Quarter:

3.2.1 A report of expenditure and receipts under the Contract analyzed by budget item showing:

a) actual expenditure and receipts for the Quarter in question;

b) actual cumulative expenditure to date;

c) latest forecast of cumulative expenditure at Year end; and

d) variances between budget, and actual expenditure and explanations thereto.

3.2.2 A cost recovery statement containing the following information:

a) recoverable Petroleum Costs brought forward from the previous Quarter, if any;

b) recoverable Petroleum Costs incurred during the Quarter;

c) total recoverable Petroleum Costs for the Quarter, i.e a) plus b) above;

d) quantity and value of Cost Petroleum taken and separately disposed of by the CONTRACTOR for the Quarter;

e) amount of Petroleum recovered for the Quarter; and

f) amount of recoverable Petroleum Costs to be carried forward into the next Quarter, if any.

3.3 After the commencement of production the CONTRACTOR shall, within thirty (30) days after the end of each month, submit a production report to the MOGE showing for each Development and Production Area the quantity of Petroleum:

a) held in stocks at the beginning of the month

b) produced during the month

c) lifted, and by whom;

d) lost and consumed in Petroleum Operations, and

e) held in stocks at the end of the month.

3.4 A lifting Party shall submit, within thirty (30) days after the end of month, a report to the MOGE stating the quantities and sales value of each Petroleum sales made in that month.

ANNEXURE "D" PARENT COMPANY GUARANTEE

This Annexure "D" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD. ("CONTRACTOR") as stated and referred to in Section 5.4 of this Contract.

LETTER OF PARENT COMPANY GUARANTEE

Date: , 2014.

We hereby absolutely and unconditionally guarantee to the Myanma Oil and Gas Enterprise, Ministry of Energy, the Government of the Republic of the Union of Myanmar that the CONTRACTOR Party ("..................................") is financially sound and technically competent and shall perform the tasks such as funding necessary capital, assets and supplying machinery, equipment, tools, technicians, specialists and discharge of expenditure obligations undertaken by it through the Tanintharyi Offshore Block M-18 Production Sharing Contract, for the exploration, extraction and development work of the Tanintharyi Offshore Block M-18 and we irrevocably undertake that if the CONTRACTOR fails to perform its minimum expenditures commitments under Section 5.2, we shall, following receipt of a demand from the Myanma Oil and Gas Enterprise, incur such expenditure to ensure that the minimum expenditure commitment are met.

Notwithstanding anything to the contrary contained or implied herein, our liability under this guarantee shall not exceed an amount equal to Ninety (90) percent of the aggregate value of its minimum expenditure commitment expressly provided for under Section 5.2 less Ninety (90) percent of the expenditure already incurred by the CONTRACTOR with respect to its minimum expenditure commitment.

This guarantee shall be effective from the date of signing of the Production Sharing Contract and shall remain in force to the successive limited periods and up to the last exploration period if extended by the consent of the contracting parties in accordance with Section 5.2 (a) to (g) and 5.3 of this Contract.

For and on behalf of

____

ANNEXURE "E" MANAGEMENT PROCEDURE

This Annexure "E" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2014.

MANAGEMENT PROCEDURE

1. MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programme. To obtain the benefits of mutual co-operation and to co-ordinate their efforts under the Contract, a "Management Committee" shall be established consisting of four (4) representatives appointed by MOGE, one whom shall act as Chairman of the Management Committee and three (3) representatives appointed by CONTRACTOR.

2. The initial appointment of representatives to the Management Committee shall be made by MOGE and by CONTRACTOR, by notice given to the other within thirty (30) days from the Commencement of the Operation Date, advising the names of their respective representatives and such appointments may be changed thereafter from time to time by similar notice from the changing Party to the other.

3. All decisions required to be taken by the Management Committee shall be taken by the unanimous vote of the representatives present at the meeting, it being understood that no such decisions shall be valid unless at least one representative of MOGE and one representative of the CONTRACTOR is present at the meeting. Decisions taken by the Management Committee shall be recorded in minutes signed on behalf of both MOGE and CONTRACTOR and shall be binding on the Parties hereto.

4. The Management Committee shall meet whenever required by MOGE or by CONTRACTOR, subject to 15 days prior notice to its members which notice shall include the agenda for the meeting.

5. The Management Committee shall have the following functions and responsibilities under this Contract.

   a) To provide the opportunity for and to encourage the exchange of information, views, ideas and suggestions regarding plans, performances and results obtained under the Contract.

   b) To review and approve Work Programmes and Budgets proposed by CONTRACTOR, taking into consideration any revisions thereto proposed by MOGE and further revision by both Parties.

   c) To co-ordinate on all technical, financial, administrative and policy matters of interest to both Parties.

d) In case of Discovery of Petroleum to review and approve any proposal for the appraisal and development of such discovery.

e) To consider and act upon recommendations made to the Management Committee by its sub-committees.

f) To co-operate towards implementation of the Contract in accordance with its terms.

6. To facilitate the discharge of its functions, the Management Committee shall appoint sub-committees composed of representatives of both MOGE and the CONTRACTOR such as but not limited to:

   a) Technical Sub-committee to review and consult upon Work Programme and any variation thereof, to supervise all safety procedures to be used in the conduct of Petroleum Operations, to advise the Parties on the progress of the current Work Programme pertaining to exploration, development and production and to perform any other task that the Parties may describe by common agreement.

   b) Procurement Sub-committee to review and recommend the international tender being applied for purchase of equipment and the selection of sub-contractors and supplies of services for Petroleum Operations hereunder.

   c) Accounting Sub-committee to review the incomes and expenditures related to Petroleum Operations in accordance with this Contract and any questions arising thereto.

   d) Petroleum Valuation Sub-committee to set the value, the International Market Price FOB Myanmar per barrel of Crude Oil for purpose of Cost Recovery and division of net sales proceeds. The valuation shall be based upon inquiries made by MOGE and CONTRACTOR internationally for the specific type of quality of Crude Oil such as API gravity, sulphur content, viscosity, pour point, etc. The valuation of Natural Gas will be determined at Delivery Point to gas buyer.

ANNEXURE "F" MEMORANDUM ON PARTICIPATION

This Annexure "F" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: , 2014.

MEMORANDUM ON PARTICIPATION

The Draft Operating Agreement between CONTRACTOR and MOGE referred to in Section 19.3 shall embody, inter alia, the following main principles:

1. CONTRACTOR shall be the sole Operator of the venture under properly defined rights and obligations.

2. Authorized representatives of both Parties shall meet periodically for the purpose of conducting the venture's operations. All decisions shall be taken by majority vote except in case of terminating the main Contract which decision shall require the unanimous consent of both Parties. However if either of the Parties wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. Both Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

4. The Operator shall prepare the annual Work Programme and Budgets which shall be submitted to the authorized representative of both Parties for decision prior to their submission to MOGE in accordance with the provisions of the main Contract.

5. In respect of any exploratory drilling operation other than exploratory drilling operations required, or which may serve, to fulfill the minimum work obligations, defined in Section 5 of the Contract , a "Sole Risk" provision shall be made which assure either Party that it does not have to participate in such operation if it were to disagree to the inclusion of such operation in the Work Programme and Budget and which in case of success adequately compensates the Sole Risk Party for the cost and risk incurred by the latter.

6. Subject to adequate lifting tolerances each Party shall offtake at CONTRACTOR's point of export its production entitlement. However, if MOGE is not in a position to market such quantity wholly or partly it shall in respect of the quantity which it cannot market itself have the option under an adequate notification procedure; either to require CONTRACTOR to purchase that quantity, or to lift that quantity at a later date under an adequate procedure within the period of time defined in such related procedures.

7. If Natural Gas (associated gas and non-associated gas) is encountered in commercial quantities, special provisions shall be drawn having due regard inter alia, to the long term character of Natural Gas Supply Contracts.

ANNEXURE "G"

This Annexure "G" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and RELIANCE INDUSTRIES LIMITED and UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO., LTD.

Dated: 2014

PERFORMANCE BANK GUARANTEE

[SEAL]

Letter of Guarantee No.

………………..

………………..

Dear Sirs,

By order of …………………… Bank, and for account of ………………… we hereby issue a guarantee under their counter guarantee No…………dated ………. for Euro / US$ ……….. (Euro/US$ …………………….. only) as follows;-

WHEREAS THE **MYANMA OIL AND GAS ENTERPRISE**, NAY PYI TAW, MYANMAR (HEREINAFTER CALLED THE MOGE) HAS ENTERED INTO A PRODUCTION SHARING CONTRACT WITH BERLANGA MYANMAR PTE LTD. (HEREINAFTER CALLED THE CONTRACTOR) ON ………… FOR THE PETROLEUM OPERATIONS OF……. IN 3/BLOCK NO. M-8 DATED ……………… (HEREINAFTER CALLED THE PSC) AND IN THE EVENT, THE CONTRACTOR BECOMES LIABLE TO MOGE ANY SUM OR SUMS OF MONEY DUE TO THE FAILURE OF THE CONTRACTOR TO EXECUTE AND PERFORM. ITS MINIMUM EXPENDITURE COMMITMENT FOR IN THE PSC, 1/ WE HEREBY IRREVOCABLY AND UNCONDITIONALLY GUARANTEE TO PAY MOGE WITHIN (10) WORKING DAYS THE AMOUNT EQUAL TO TEN (10) PERCENT OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC CLAIMED BY MOGE, 2/ **ON YOUR FIRST WRITTEN DEMAND ACCOMPANIED BY YOUR WRITTEN DECLARATION** THAT THE CONTRACTOR HAS 3/ **FAILED TO EXECUTE AND PERFORM ANY OF THE OBLIGATIONS** UNDER THE TERMS AND CONDITIONS OF THE AFORESAID CONTRACT.

1/ The Obligation of Guarantee

2/ Condition of Beneficiary's Demand

3/ Guarantee Amount, Contract No., Expiry, Condition of Beneficiary's Demand if failed to comply with contract terms

OUR LIABILITY HEREUNDER IS NOT TO EXECEED IN THE AGGREGATE THE SUM OF 3/ EURO/US$ ..../- (... ONLY) BEING THE TEN PERCENT (10 PERCENT) OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC. A DEMAND FOR REFUND AMOUNT SHALL BE MADE IN WRITING AND SUBSTANTIATED WITH RESPECTIVE DOCUMENTS.

THIS PERFORMANCE BANK GUARANTEE ISSUE IN THE FORM OF BANK GUARANTEE BY US. ON THE ACCOUNT OF THE CONTRACTOR, SHALL BE EXPIRED THREE (3) YEARS FROM THE DATE OF ISSUE OF THIS 3/PERFORMANCE GUARANTEE.

ALL CLAIMS UNDER THIS GUARANTEE MUST BE RECEIVED BY US IN MYANMAR ON OR BEFORE THE EXPIRY DATE, AFTER WHICH THIS GUARANTEE SHALL BE VOID AND NO CLAIM FOR PAYMENT SHALL BE PERMITTED OR ENTERED BY US NOTWITHSTANDING THAT THIS GUARANTEE MAY NOT HAVE BEEN RETURNED TO US FOR CANCELLATION.

THIS GUARANTEE IS NOT TRANSFERABLE OR ASSIGNABLE.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. BY ACCEPTANCE HEREOF, YOU IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE SINGAPORE COURTS.

Our liability under this Guarantee is limited to the sum of EURO/US$ .... /- (EURO/$ ....only) and any claim hereunder must be submitted in writing to this office, during normal banking hours, within the validity of this guarantee.

This guarantee must be returned to us for cancellation as soon as it expires.

Yours faithfully,

COUNTERSIGNED FOR MYANMA FOREIGN TRADE BANK

MANAGER
FINANCING & GUARANTEE DEPT

ASSISTANT MANAGER
GUARANTEE DEPT

လျှို့ဝှက်

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ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

နောက်ဆက်တွဲ(င)

စာအမှတ်၊ ၅၆ (၂)/ ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၂၁ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ကိစ္စ**

ရည် ညွှန်း ချက်။ ယင်း၏ ၈-၇- ၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၁၂ /၃၂၂ / ထ(၅၇၇ / ၂၀၁၄)

ကမ်းလွန်လုပ်ကွက် ၂၀ တွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ပထမအကြိမ် ကမ်းလွန်လုပ်ကွက်များအတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုထားသော Selected Candidates ကုမ္ပဏီများအား ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းနှင့်စပ်လျဉ်း၍ ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်ရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

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နောက်ဆက်တွဲ(စ)

၃၆
၁၀/၁၂
(၁၂/၅၀)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
ပြည်ထောင်စုရှေ့နေချုပ်ရုံး
နေပြည်တော်

စာအမှတ်၊ ၂ (၅) ၈ - ၂၄၀ /နပတ(၁၀၅၃)
ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ ၇ ရက်

အကြောင်းအရာ။ တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် M-17 နှင့် M-18 တို့ တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက်ချုပ်ဆိုမည့် Production Sharing Contract (မူကြမ်း) ၂ ရပ်အပေါ် သဘောထားမှတ်ချက်ပေးပါရန်ကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၉-၁၁-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၁၀ /ထ (၇၉၅ /၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ကမ်းလွန်လုပ်ကွက်များဖြစ်သော တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေး လုပ်ငန်းများဆောင်ရွက်ရန် အတွက် Reliance Industries Limited ၊ မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd နှင့် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE) တို့အကြား ချုပ်ဆို ဆောင်ရွက်မည့် Production Sharing Contract for the Exploration and Production of Petroleum (PSC)(မူကြမ်း) ၂ ရပ် အပေါ် သဘောထားမှတ်ချက်ပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် မေတ္တာရပ်ခံ လာသောကိစ္စဖြစ်ပါသည်။

၂။ ပေးပို့လာသော စာချုပ်(မူကြမ်း) ၂ ရပ်တွင် လုပ်ကွက်တည်နေရာများကွဲပြားခြားနားသော်လည်း လုပ်ငန်းဆောင်ရွက်မည့်ကုမ္ပဏီများမှာတူညီပြီး စာချုပ်ပုံစံများမှာလည်း အချို့အချက်များမှလွဲ၍ပုံစံတစ်မျိုး တည်းရေးသားပြုစုထားသဖြင့် တစ်ပေါင်းတည်းစိစစ်အကြံပြုထားပါသည်။

၃။ ပူးတွဲပေးပို့လာသော စာချုပ်(မူကြမ်း)များကို ဥပဒေရှုထောင့်မှ လေ့လာစိစစ်ပြီး အောက်ပါအတိုင်း သုံးသပ်အကြံပြုအပ်ပါသည် -

(က) ပေးပို့လာသည့် ရည်ညွှန်းချက်ပါစာတွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ချုပ်ဆိုမည့်ကုမ္ပဏီမှာ Reliance Industries Limited နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd ဟု ဖော်ပြထားသော်လည်း စာချုပ်(မူကြမ်း)များ မျက်နှာဖုံးနှင့် စာချုပ်တစ်စောင်လုံးတွင် United National Resources Development Services Co., Ltd ဟု သာ ဖော်ပြထားပါသည်။ ချုပ်ဆိုမည့်ကုမ္ပဏီ၏အမည်မှန်ကန်မှုရှိစေရန် ဌာနမှပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ခ) စာချုပ်(မူကြမ်း)များပါ စာပိုဒ်များ၌ ရည်ညွှန်းထားသော Section များနှင့် စာမျက်နှာများမှန်ကန်မှုရှိစေရန် ဌာနမှ ပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း)များ စာချုပ်ဝင်များစာပိုဒ်အောက်တွင် ဖော်ပြထားသော "စာချုပ်ဝင်များသည် တစ်ဦးချင်းသော်လည်းကောင်း၊ ပူးတွဲ၍သော်လည်းကောင်း တာဝန်ရှိကြောင်းစာပိုဒ်ကို Section 17.2 Contractor ၏ Obligations တွင် စည်းကမ်းချက်တစ်ရပ်အဖြစ် ထည့်သွင်းသင့်ပါသည်၊

(ဃ) စာချုပ်(မူကြမ်း)များ Section 1 Definitions၊ အပိုဒ် 1. 21 Development and Production Operations နှင့် 1.28 Exploration Operations တို့၏ အဓိပ္ပာယ်ဖွင့်ဆိုချက်၌ "within or outside the Contract Area" ဟုလည်းကောင်း၊ အပိုဒ် 8 Development and Production ၊ အပိုဒ်ခွဲ

8.3 (b) ၌ Development Plan ထဲတွင် Contract Area အတွင်းသာမက Contract Area ပြင်ပ (----within and outside of the Contract Area)ပါ ပါဝင်သည်ဟုလည်းကောင်း ဖော်ပြထားသည်ကိုတွေ့ရှိရပါသည်။ Development Plan, Production Exploration သည် Annexure A နှင့် B တွင်ဖော်ပြထားသော Contract Area အတွင်း၌သာဆောင်ရွက်ရမည် ဖြစ်ပါသော ကြောင့် "outside of the Contract Area"ဟူသော စာသားကို ပယ်ဖျက် သင့်သည်ဟုယူဆပါသည်၊

(c) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 3.4တွင် Study Period ပြီးဆုံးသည့်အချိန်တွင် Exploration Operations ကိုဆက်လက်ဆောင်ရွက်ခြင်းမပြုရန် Contractor က ဆုံးဖြတ်ပါက ဌာနသို့ Study Period မပြီးမီ(၁၅)ရက် ကြိုတင်အကြောင်းကြား စာရေးသားပေးပို့ပြီး Contractor ဘက်မှစာချုပ်အားရပ်စဲနိုင်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(စ) စာချုပ်(မူကြမ်း)များ အပိုဒ် 2.6 နှင့် အပိုဒ် 11.1 တို့တွင် Contractor သည် လုပ်ငန်းစတင်သည့်နေ့မှ နောက်ရက်ပေါင်း(၃၀)အတွင်း Data Fee ပေးရမည်ဖြစ်ကြောင်းဖော်ပြထားပါသည်။ လုပ်ငန်းမစတင်နိုင် လျှင် Data Fee မရနိုင်သည်ကို ဌာနအနေဖြင့် သတိပြုသင့်ပါသည်၊

(ဆ) စာချုပ်(မူကြမ်း)များအပိုဒ် 11.2 Signature Bonus တွင် Section 3.4 အရ Contractor သည် စာချုပ်ရပ်စဲရန် အခွင့် အရေးကိုကျင့်သုံးခဲ့ခြင်းမရှိပါက Contractor သည်ကနဦးတူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်ပြီးသည့်နေ့မှ နောက်ရက်ပေါင်း ၃၀ အတွင်း Signature Bonus ပေးမည်ကြောင်းဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး ၁၂ လအတွင်း ဆောင်ရွက်

ရန်ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကိုစတင်သဖြင့် လုပ်ငန်းစတင်သည့်နေ့မှ ၁၂လကြာသည်အထိ Signature Bonus မရနိုင်သည့်သဘောဖြစ်နေသည်ဟု ယူဆပါသဖြင့်လည်းကောင်း၊ အပိုဒ် 3.4 အရ Contractor သည် စာချုပ်ကိုရပ်စဲရန်အခွင့်အရေးကိုမကျင့်သုံးပါမှ Signature Bonus ရနိုင်မည်ဖြစ်သဖြင့်လည်းကောင်း ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(ဓ) စာချုပ်(မူကြမ်း) များအပိုဒ်ခွဲ 12.7 တွင် ထုတ်လုပ်ရရှိသည့် သဘာဝဓာတ်ငွေ့များကို Contractor ဘက်က အသိအမှတ်ပြုသည့် ဈေးနှုန်း ဖြင့်သာ ရောင်းချရန် ဖော်ပြထားချက်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(ဈ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 14.2 တွင် Crude Oil ရောင်းချငွေများကို (၄၅)ရက်အတွင်း Contractor သို့ပေးချေရန်၊ အကယ်၍ (၄၅)ရက်ကျော်လွန်ပါက ဒဏ်ကြေးငွေအဖြစ် LIBOR Plus 3% ကို ဌာနက Contractor သို့ ထပ်ဆောင်းပေးရမည်ဖြစ်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှ သတိပြုသင့်ပါသည်၊

(ည) စာချုပ်(မူကြမ်း)များ Section 16 Title of Assets အပိုဒ် 16.2 ၏ ဒုတိယဝါကျ၌ Contractor သည် "copies of all data, information ----- outing and Petroleum စသည်တို့ကို မြန်မာနိုင်ငံအတွင်း သို့မဟုတ် ပြင်ပ(within or outside Myanmar)၌ လွတ်လပ်စွာသုံးစွဲနိုင်သည်" ဟူသော ဖော်ပြချက်နှင့်စပ်လျဉ်း၍ ဌာနအနေဖြင့် လက်ခံနိုင်ခြင်းရှိ မရှိ စိစစ်သင့်ပါသည်၊

(ဠ) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 17.1 တွင် MOGE မှဆောင်ရွက်ရန် စည်းကမ်းချက်များကိုဖော်ပြထားရာ ဌာနမှလက်ခံဆောင်ရွက်နိုင်ခြင်းရှိ မရှိ ကြိုတင်စိစစ်ထားသင့်ပါသည်၊

(ဋ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (s) နှင့် (t) တို့တွင် MOGE မှ ဆောင်ရွက်ပေးရန်ဖော်ပြထားသည့်စည်းကမ်းချက်များပါရှိကြောင်းတွေ့ရှိရသဖြင့်အဆိုပါ MOGE မှ ဆောင်ရွက်ရမည့်စည်းကမ်းချက်များကို အပိုဒ်ခွဲ 17.1 ရှိ MOGE ၏ အခွင့်အရေးနှင့် တာဝန်များခေါင်းစဉ်အောက်တွင်သာ ဖော်ပြသင့်ပါသည်၊

(ဍ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (w) တွင် Contractor သည် Petroleum Operations ကြောင့် အထူး သို့မဟုတ် သွယ်ဝိုက်၍ပေါ်ပေါက်လာမည့်ထိခိုက်ဆုံးရှုံးမှုများနှင့်စပ်လျဉ်း၍ MOGE သို့မဟုတ် Government သို့ တာဝန်မရှိကြောင်း ဖော်ပြထားချက်အား ဌာနမှသတိပြုသင့်ပါသည်၊

(ဎ) စာချုပ်(မူကြမ်း)များ Section 20 Force Majeure အပိုဒ်ခွဲ 20.2 တွင် "acts of public authorities" ဟု ဖော်ပြထားရာ ယင်းစကားရပ်အစား "act of government which is directly affect to the project" ဟု ရေးသားရန်သင့် မသင့် တစ်ဖက်စာချုပ်ဝင်နှင့် ညှိနှိုင်းသင့်ပါသည်၊

(ဏ) စာချုပ်(မူကြမ်း)များ Section 22 Consultation and Arbitration အပိုဒ် 22.5 တွင် စာချုပ်ဝင်အသီးသီးအနေဖြင့် အမိန့်၊ စီရင်ချက်၊ ဆုံးဖြတ်ချက် သို့မဟုတ် အခြားကုစားခွင့်တစ်ရပ်ရပ်ကို အကောင်အထည်ဖော်ခြင်းနှင့် စပ်လျဉ်းသောတောင်းဆိုမှုတစ်ခုခုအားစွန့်လွှတ်ကြောင်း စည်းကမ်းချက်နှင့် စပ်လျဉ်း၍ စာချုပ်ဝင်များ ၏ တရားစွဲဆိုနိုင်ခွင့်နှင့် တရားစွဲဆိုခံပိုင်ခွင့်တို့ကို

ထပ်မံဖော်ပြထားခြင်းဖြစ် သောကြောင့်ဥပဒေကြောင်းအရ ကန့်ကွက်ရန်မရှိပါ။ ဌာန၏စီမံခန့်ခွဲရေး ဘောင်အတွင်းမှ ဆုံးဖြတ်ရန်ဖြစ်ပါသည်၊

(တ) စာချုပ်(မူကြမ်း)များ Section 23 Banking နှင့် စပ်လျဉ်း၍ ဘဏ္ဍာရေးဝန်ကြီးဌာနနှင့် ညှိနှိုင်းဆောင်ရွက်သင့်ပါသည်၊

(ထ) စာချုပ်(မူကြမ်း)များ Section 26 နှင့် Annexure C ပါ Accounting Procedure တို့နှင့်စပ်လျဉ်း၍ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘောထားမှတ်ချက်ကို ရယူသင့်ပါသည်၊

(ဒ) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်က ၁၄-၈-၂၀၁၄ ရက်စွဲဖြင့် ထုတ်ပြန်ကြေငြာခဲ့သော အမိန့်ကြော်ငြာစာအမှတ် ၅၀/ ၂၀၁၄ "ပတ်ဝန်းကျင်ထိခိုက်မှုဆန်းစစ်ချက်ရယူရန်လိုအပ်သည့် စီးပွားရေးလုပ်ငန်းအမျိုးအစားသတ်မှတ်ခြင်း" ၌ အမှတ်စဉ် ၂ တွင် "ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေတူးဖော်ထုတ်လုပ်ခြင်း၊ ရေနံချက်စက်ရုံ သို့မဟုတ် ရေနံဓာတုဗေဒစက်ရုံတည်ဆောက်အကောင်အထည်ဖော်ခြင်းလုပ်ငန်း" အား ဖော်ပြထားသည်ကို သိရှိနိုင်ရန်အတွက် ဖော်ပြအပ်ပါသည်။

၄။ ဤစာချုပ်(မူကြမ်း) များကို ပြည်ထောင်စုရှေ့နေချုပ်ဥပဒေနှင့်အညီ ဥပဒေကြောင်းအရသာ ဥပဒေအကြံဉာဏ်ပေးခြင်းဖြစ်ပါသည်။ ဥပဒေရေးရာမဟုတ်သည့် စီမံရေးရာ၊ ဘဏ္ဍာရေးရာ၊ ကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များကို ဤရုံးအနေဖြင့် မှတ်ချက်ပေးရန်မရှိပါကြောင်းနှင့် ယင်းကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ သက်ဆိုင်ရာကျွမ်းကျင်သူများနှင့် ဆွေးနွေးညှိနှိုင်းဆောင်ရွက်ရန် အကြံပြု ပါသည်။

၅။ ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ ထုတ်လုပ်၊ ဝယ်ယူရောင်းချခြင်းလုပ်ငန်းနှင့် သဘာဝဓာတ်ငွေ့ထွက်ပစ္စည်းများ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်းသည် နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်းများဥပဒေပုဒ်မ ၃ အရ နိုင်ငံတော်အစိုးရကသာ နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်း အဖြစ်

ဆောင်ရွက်နိုင်ခွင့်ရှိသဖြင့် ယခုစာချုပ်(မူကြမ်း)ပါ လုပ်ငန်းများကို ဆောင်ရွက်နိုင်ရန် ဖော်ပြပါ ဥပဒေပုဒ်မ ၄ အရ အစိုးရအဖွဲ့၏ အမိန့်ကြော်ငြာစာဖြင့် ခွင့်ပြုချက်ရယူရန် လိုအပ်မည်ဖြစ်ပါသည်။

၆။ Reliance Industries Limited နှင့် United National Resources Development Services Co., Ltd တို့သည် သက်ဆိုင်ရာနိုင်ငံများ၏ဥပဒေအရ တရားဝင်ဖွဲ့စည်းထားသော ကုမ္ပဏီများဟုတ် မဟုတ်၊ စာချုပ်များပါ လုပ်ငန်းကို လုပ်ကိုင်နိုင်ခွင့်နှင့် လုပ်ကိုင်နိုင်စွမ်းရှိ မရှိ၊ ငွေကြေးအင်အားပြည့်စုံမှုရှိ မရှိ၊ စာချုပ်များတွင်လက်မှတ်ရေးထိုးမည့်သူများသည် တရားဝင်လွှဲအပ်ခြင်းခံရသူများ ဟုတ် မဟုတ် စသည်တို့အတွက် သက်ဆိုင်ရာစာရွက်စာတမ်း များတောင်းယူစိစစ်သင့်ပါသည်။

၇။ ဤ စာချုပ်(မူကြမ်း) ၂ ရပ်ကို လက်မှတ်ရေးထိုးပြီးပါက မှတ်တမ်းတင်ထားနိုင်ရန်အတွက် ဤရုံးသို့ မိတ္တူ (၃) စောင်စီပေးပို့ပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

၈။ ဤ အကြံပြုချက်ကို လျှို့ဝှက်အဆင့် သတ်မှတ်ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)

(မေသီလင်း ၊ ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

စွမ်းအင်ဝန်ကြီးဌာန

မိတ္တူ - ရုံးလက်ခံ / မျှောစာတွဲ

နောက်ဆက်တွဲ(ဆ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး

စာအမှတ်၊ စဆ - ၈ / ၁၆၁ (၃၈၈ / ၂၀၁၄)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ (၄) ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တွင် ချုပ်ဆိုမည့် စာချုပ်မူကြမ်းနှင့်စပ်လျဉ်း၍ သဘောထားမှတ်ချက် တောင်းခံခြင်းကိစ္စ**

ရည်ညွှန်းချက် ။ လိပ်မူပါရုံး၏ ၂၀-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/ဥ၁၀/ထ(၇၉၅/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အိန္ဒိယသမ္မတနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Reliance Industries Limited နှင့် ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်တွင် မှတ်ပုံတင်ထားသည့် မြန်မာတိုင်းရင်းသားပိုင် United National Resources Development Services Co;Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ်မူကြမ်းအပေါ် သဘောထားမှတ်ချက် ပြန်ကြားပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် ညှိနှိုင်းမေတ္တာရပ်ခံလာပါသည်။

၂။ သို့ဖြစ်ပါ၍ Section-26 ပါ Books and Accounts and Audits နှင့် Annexure "C" ပါ Accounting Procedure များနှင့်စပ်လျဉ်း၍ ဤရုံးမှ သဘောထားမှတ်ချက် ဖော်ပြရန်မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုစာရင်းစစ်ချုပ်(ကိုယ်စား)
(မျိုးမြင့်၊ ဒုတိယစာရင်းစစ်ချုပ်)

မိတ္တူ
- နိုင်ငံတော်သမ္မတရုံး
- သမ္မတဦးစီးရုံး
- ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး
- ရုံးလက်ခံ
- မျှော

လျှို့ဝှက်

လျှို့ဝှက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်အစိုးရ

ဘဏ္ဍာရေးဝန်ကြီးဌာန

ဝန်ကြီးရုံး

နောက်ဆက်တွဲ(၈)

စာအမှတ်၊ ဘခ - ၁/၂၇၄ (၃၁၉၆/၂၀၁၄)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ ၃၁ ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **သဘောထားမှတ်ချက်ပြန်ကြားခြင်းကိစ္စ**

ရည်ညွှန်းချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၉-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/ ၉၁၀/ ထ (၇၉၅/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ Reliance Industries Limited နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd တို့အကြား လက်မှတ်ရေးထိုးမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)နှင့် ပတ်သက်၍ ဤဝန်ကြီးဌာန၏ သဘောထားမှတ်ချက်မှာ အောက်ပါအတိုင်း ဖြစ်ပါသည်-

(က) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ ခွင့်ပြုချက်ရယူရန် လိုအပ်ပြီး နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေနှင့် နည်းဥပဒေ၊ မြန်မာနိုင်ငံသားများ ရင်းနှီးမြှုပ်နှံမှုဥပဒေများနှင့်အညီ ဆောင်ရွက်သင့်ပါသည်။

(ခ) စာချုပ်မူကြမ်းအပိုဒ် (၂၃.၇) အရ ငွေပေးချေမှုများကို အမေရိကန်ဒေါ်လာဖြင့် ပေးချေရမည်ဟု ဖော်ပြထားရာ ငွေပေးချေမှု အဆင်ပြေစေရန် USD ဖြင့် ပေးချေရမည့်ဘဏ်နှင့် ငွေစာရင်းအမှတ်များ ကြိုတင်ညှိနှိုင်းထားသင့်ပါသည်။

(ဂ) အဆိုပါ စီမံကိန်းနှင့် ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာနမှ ရရှိသည့် ဝင်ငွေများအား သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်၏ ရသုံးခန့်မှန်းခြေငွေစာရင်းတွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပါသည်။

(ဃ) အဆိုပါစီမံကိန်းနှင့် ပတ်သက်၍ MOGE မှ ကျခံရမည့် အသုံးစရိတ်များရှိပါက သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်တွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပြီး အဆိုပါလျာထားချက်ကို ပြည်ထောင်စုလွှတ်တော်၏ အတည်ပြုချက်ရရှိမှသာ ကျခံသုံးစွဲနိုင်မည် ဖြစ်ပါသည်။

(င) အပိုဒ် (17) Rights and Obligation of MOGE and Contractor ခေါင်းစဉ်အောက်ရှိ အပိုဒ်ခွဲ 17.1 (b) (i) တွင် မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့် စက်ပစ္စည်းကိရိယာ တန်ဆာပလာများအတွက် ပေးဆောင်ရမည့် အခွန်အခများကို Contractor မှ ပေးဆောင်ရန်နှင့် MOGE မှ ကူညီဆောင်ရွက်ပေးရန်၊ အပိုဒ်ခွဲ 17.2(d) တွင် မြန်မာနိုင်ငံအတွင်း ကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် ကျသင့်သည့် အခွန်အခများအား Contractor မှ ပေးဆောင်ရန်ဟုဖော်ပြထားရာ မြန်မာနိုင်ငံအတွင်း တင်သွင်းလာသော စက်ပစ္စည်းကိရိယာတန်ဆာပလာများနှင့်ကိုယ်ပိုင်အသုံးပြုရန်တင်သွင်းသည့် မော်တော်ယာဉ်များအတွက် Contractor မှ ကျသင့်သည့် အခွန်အခများအား ပေးဆောင်ရာတွင် အကောက်ခွန်ဦးစီးဌာနမှ ပြဋ္ဌာန်းထားသည့် လုပ်ထုံးလုပ်နည်းများနှင့်အညီ ဆောင်ရွက်ရမည် ဖြစ်ပါသည်။

(စ) အပိုဒ်ခွဲ 17.1 (b)(iii) တွင် Contractor များမှ Personal use အဖြစ် တင်သွင်းလာသည့် ဆေးလိပ်၊ အရက်နှင့် အခြားပစ္စည်းများအပေါ်တွင် အကောက်ခွန်နှင့် အခြားအခွန်အခများအား ပေးဆောင်ခြင်းမပြုရန်အတွက် MOGE မှ ကူညီဆောင်ရွက်ပေးရန်ဟု ဖော်ပြထားရာ အဆိုပါ Personal use အဖြစ် တင်သွင်းလာသည့်ပစ္စည်းများနှင့်ပတ်သက်၍ အကောက်ခွန်ဦးစီးဌာန၏ ၁၀-၈-၂၀၁၂ ရက်စွဲပါ အမိန့်ကြော်ငြာစာအမှတ်၊ ၅၇-က-၂၀၀၇ ဖြင့် ထုတ်ပြန်ထားသည့် ခရီးသည်ကိုယ်သုံးဝန်စည်များကိုသာ အခွန်ကင်းလွတ်ခွင့် ရရှိမည် ဖြစ်ပါသည်။

(ဆ) အပိုဒ် 17.0 (g) နှင့် (h)တို့တွင် လုပ်ငန်းအတွက် လိုအပ်၍ တင်သွင်းလာသော ပစ္စည်းများနှင့် ဌာနရမ်းအသုံးပြုသည့်ပစ္စည်းများ မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့်အခါ Draw Back စနစ်ဖြင့် တင်သွင်းရန် ဟု ဖော်ပြထားရာ အဆိုပါ Draw Back စနစ်ဖြင့် တင်သွင်းလာမည့် ပစ္စည်းများနှင့် ပတ်သက်၍ ပင်လယ်ကြောင်းအကောက်ခွန်အက်ဥပဒေပုဒ်မ ၄၂ နှင့် အကောက်ခွန်ဦးစီးဌာန၏ အမြဲတမ်းအမိန့် (၂/၂၀၁၃) တို့အား လိုက်နာကျင့်သုံး ဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

(ဇ) အခွန်ဆိုင်ရာကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ တည်ဆဲအခွန်ဆိုင်ရာဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းများပါ ပြဋ္ဌာန်းချက်များနှင့်အညီ လိုက်နာဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

၂။ လိုအပ်သလို ဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး(ကိုယ်စား)
(ဒေါက်တာလင်းအောင် ၊ ဒုတိယဝန်ကြီး)

မိတ္တူကို-
မြန်မာ့နိုင်ငံခြားကုန်သွယ်မှုဘဏ်
ငွေတိုက်ဦးစီးဌာန
ပြည်တွင်းအခွန်များဦးစီးဌာန
အကောက်ခွန်ဦးစီးဌာန

၄၄

နောက်ဆက်တွဲ(ဈ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန
ပြည်ထောင်စုဝန်ကြီးရုံး

Energy Planning Department

စာအမှတ်၊ အမစ-၁/ ၃/ ၉ (၆၆၇၇/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် နိုဝင်ဘာလ ၂၈ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း) များအပေါ် သဘောထားပြန်ကြားခြင်း**

ရည်ညွှန်းချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၁-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ် ၀၀၈/ ၉၁၀/ ထ (၇၉၅/၂၀၁၄)

၁။ Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း)များအပေါ် အောက်ပါ သဘောထားမှတ်ချက် ပေးပို့အပ်ပါသည်-

(က) စာချုပ် (မူကြမ်း)များတွင် မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် Reliance Industries Lt.d နှင့် United National Resources Development Services Co., Lt.d တို့အကြား တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းများ ဆောင်ရွက်ရန် အတွက် လက်မှတ်ရေးထိုး ချုပ်ဆိုမည်ဖြစ်ကြောင်း ဖော်ပြပါရှိသည်။

(ခ) စာချုပ်(မူကြမ်း)များတွင် စာချုပ်ဝင်ကန်ထရိုက်တာကုမ္ပဏီတို့မှာ ဥပဒေအရ တရားဝင် ဖွဲ့စည်းတည်ထောင်ထားသော ကုမ္ပဏီ ဟုတ်-မဟုတ်၊ ငွေရေးကြေးရေး အထောက် အထား ခိုင်မာမှု ရှိ-မရှိ၊ တရားဝင် လက်မှတ်ရေးထိုးပိုင်ခွင့်ရှိသူ ဟုတ်-မဟုတ် ကုမ္ပဏီ ဆိုင်ရာ အထောက်အထားများနှင့် တိုက်ဆိုင်စိစစ်ရန် လိုအပ်ပါကြောင်း ဖော်ပြအပ် ပါသည်။

(ဂ) စာချုပ်(မူကြမ်း)များ ပုဒ်မ(၅)တွင် ကန်ထရိုက်တာကုမ္ပဏီမှ မြန်မာ့ရေနံနှင့် သဘာဝ ဓါတ်ငွေ့လုပ်ငန်းသို့ လုပ်ငန်းဆောင်ရွက်မှုဘဏ် အာမခံကြေး (PBG) ပေးသွင်းခြင်း၊ ပုဒ်မ(၁၇)တွင် ကန်ထရိုက်တာကုမ္ပဏီက ရေနံစတင်ရောင်းချချိန်မှစ၍ ပေးဆောင်ရန် ရှိသော အခွန်အခများကို ပေးဆောင်မည်ဖြစ်ကြောင်း ဖော်ပြထားသဖြင့် သင့်မြတ်မှု ရှိပါသည်။

(ဃ) စာချုပ်(မူကြမ်း)များပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော် ဆောင်ရွက်ရာ တွင် တည်ဆဲ ပတ်ဝန်းကျင်ထိန်းသိမ်းရေး ဥပဒေ (၂၀၁၂) နှင့် မြန်မာနိုင်ငံရင်းနှီး မြှုပ်နှံမှု ကော်မရှင် (MIC)၏ အမိန့်ကြော်ငြာ စာအမှတ် (၁/၂၀၁၃) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(င) စာချုပ်(မူကြမ်း)များတွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းသည် ၁၉၈၉ ခုနှစ်၊ နိုင်ငံတော်ပိုင်စီးပွားရေးလုပ်ငန်းများဥပဒေ ပုဒ်မ (၃)၊ ပုဒ်မခွဲ

(ဂ)တွင် အကျုံးဝင်သက်ဆိုင်သဖြင့် ယင်းဥပဒေ ပုဒ်မ(၄) အရ ပြည်ထောင်စု အစိုးရအဖွဲ့က အမိန့်ကြော်ငြာစာ ထုတ်ပြန်၍ ခွင့်ပြုရန်လိုအပ်သည်ကို အကြံပြုအပ်ပါသည်။

(စ) စာချုပ်(မူကြမ်း)များတွင် ကမ်းလွန်လုပ်ကွက်များအရ ပင်လယ်ပြင်အတွင်း လုပ်ငန်း၏ စွန့်ပစ်ဆီ၊ ရေ၊ အမှိုက်များ အပါအဝင် စွန့်ပစ်ပစ္စည်း အမျိုးမျိုး စွန့်ပစ်ခြင်းကို အာဆီယံ အပါအဝင် အိမ်နီးချင်းနိုင်ငံများနှင့် နိုင်ငံတကာ လုပ်ထုံးလုပ်နည်းများ နှင့် အညီ လိုက်နာဆောင်ရွက်သင့်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဆ) စာချုပ်(မူကြမ်း)များပါ ကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ ပြည်ထောင်စုလွှတ်တော်ဆိုင်ရာ ဥပဒေကို ပြင်ဆင်သည့်ဥပဒေ (၂၀၁၄ခုနှစ်၊ ပြည်ထောင်စုလွှတ်တော်ဥပဒေ အမှတ် ၂) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

(ဇ) မြန်မာနိုင်ငံသည် Extractive Industry Transparency Initiative (EITI) အဖွဲ့ဝင်နိုင်ငံ ဖြစ်ပါသဖြင့် ဤစာချုပ်များပါ လုပ်ငန်းများကို ၂၀၁၃ ခုနှစ် EITI Standard နှင့်အညီ ဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါသည်။

(ဈ) စာချုပ်(မူကြမ်း)များအရ မိမိဘက်မှ ဆောင်ရွက်ပေးရမည့် ကိစ္စရပ်များ နှင့် လုပ်ငန်းကျွမ်းကျင်မှုဆိုင်ရာ ကိစ္စရပ်များ နှင့်စပ်လျဉ်း၍ နိုင်ငံတော်၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းစည်းကမ်းများ၊ လုပ်ထုံးလုပ်နည်းများနှင့် ညီညွတ်မှုရှိရန် လိုအပ်မည်ဖြစ်ပါသဖြင့် သက်ဆိုင်ရာလုပ်ငန်း အကောင်အထည်ဖော်မည့် ဌာန၊ အဖွဲ့အစည်းမှ တာဝန်ယူစိစစ်ရန် ဖြစ်ပါသည်။

၂။ စာချုပ် (မူကြမ်း)များပါ သတ်မှတ်ချက်များသည် မြန်မာ့ရေနံနှင့် သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားကုမ္ပဏီများအကြား ကမ်းလွန်လုပ်ကွက်များအတွက် လက်မှတ်ရေးထိုး ချုပ်ဆိုခဲ့သည့် Production Sharing Contract များပါ သတ်မှတ်ချက်များကို အခြေခံရေးဆွဲထားသည်ကို တွေ့ရှိရပါသဖြင့် သက်ဆိုင်ရာ စွမ်းအင်ဝန်ကြီးဌာနမှ သဘောတူ လက်ခံပါက ဤဝန်ကြီးဌာနအနေဖြင့် အထူးမှတ်ချက်ပြုရန် မရှိပါကြောင်း ဖော်ပြအပ်ပါသည်။

၃။ စာချုပ်များ လက်မှတ်ရေးထိုး ချုပ်ဆိုပြီးပါက မိတ္တူ (၃)စောင်ကို ဤဝန်ကြီးဌာနသို့ ပေးပို့ပေးပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

ဒုတိယဝန်ကြီး(ကိုယ်စား)
(တင်ကိုဝင်း၊ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

မိတ္တူကို

ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန
အမျိုးသားမှတ်တမ်းများမော်ကွန်းတိုက်ဦးစီးဌာန
ရုံးလက်ခံ/မျှောစာတွဲ

ရှေ့ (ပ)ဆက်တွဲ(ည)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်

စာအမှတ်၊ မဗဘ/ဘဏ်စိစစ်/၄(၄၂၉/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ ၅ ရက်

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း) များအပေါ် သဘောထား မှတ်ချက်ပြန်ကြားခြင်းကိစ္စ**

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၁၉-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၁၀/ထ (၇၉၅/၂၀၁၄)

တနင်္သာရီကမ်းလွန်ဒေသလုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE) နှင့် Reliance Industries Limited နှင့် မြန်မာ တိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd. တို့အကြား လက်မှတ်ရေးထိုးချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်(မူကြမ်း)များအပေါ် ရည်ညွှန်းချက်ပါစာဖြင့် သဘောထားမှတ်ချက်တောင်းခံလာခြင်းနှင့်စပ်လျဉ်း၍ မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်၏ သဘောထား မှတ်ချက်အား အောက်ပါအတိုင်း ပြန်ကြားအပ်ပါသည်-

(က) Article 5.2 (c) တွင် ငွေပမာဏဖော်ပြချက်၌ စာသားနှင့်ဂဏန်း မတူညီသဖြင့် အမှန်တစ်ခုကိုသာ စာသား၊ ဂဏန်း ကိုက်ညီစေရန် ပြင်ဆင်ဖော်ပြရန်ဖြစ်ပါသည်၊

(ခ) Article 23.2 တွင် ပြည်တွင်းရှိ ဘဏ်တစ်ခု၌ Foreign Bank Account ဖွင့်လှစ် ပြီးဆောင်ရွက်မည်ဟု ဖော်ပြထားသဖြင့် နိုင်ငံခြားဘဏ်စာရင်းဖြစ်နေပြီး retain abroad ဟူသော စာသားပါရှိနေ၍ နိုင်ငံခြား၌ စာရင်းထားရှိမည့်သဘော သက်ရောက်နေပါသည်။ သို့ဖြစ်ရာ ပိုမိုရှင်းလင်းမှုရှိစေရန် အဆိုပါအပိုဒ် ၂၃.၂ တွင် ပါရှိသည့် "Foreign Bank Account" အစား "Foreign Currency Account" ဟု ပြင်ဆင်ဖော်ပြရန်နှင့် "retain abroad" စာသားအား ပယ်ဖျက်ရန်ဖြစ်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း)များ၏ Annexure G တွင် MOGE နှင့် စာချုပ်ချုပ်ဆိုမည့် Contractor ၏အမည်အား "BERLANGA Myanmar Pte.Ltd" ဟု မှားယွင်းဖော်ပြထားသဖြင့် Contractor အမည်အမှန်ဖြစ်သော "Reliance Industries Limited နှင့် United National Resources Development Services Co.,Ltd." ဟု ပြင်ဆင်ဖော်ပြပြီးမှ စာချုပ်ချုပ်ဆိုရန်ဖြစ်ပါသည်။

ထိုးမင်း
ဒုတိယဉက္ကဋ္ဌ

လျှို့ဝှက် EPD နောက်ဆက်တွဲ(၄)

၄၈

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

သမ္မတရုံးဝန်ကြီးဌာန(၃)

စာအမှတ်၊ ၁၄ (၁) / ၁၄ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၁၉ ရက်

သို့

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

အကြောင်းအရာ။ ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ (၂ / ၂၀၁၅)၏ မှတ်တမ်းကောက်နုတ်ချက် တင်ပြခြင်းကိစ္စ

၁။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီအစည်းအဝေး (၂ / ၂၀၁၅) ကို ၁၆ - ၁ - ၂၀၁၅ ရက်နေ့ (သောကြာနေ့)တွင် သမ္မတရုံးဝန်ကြီးဌာန(၃)၊ ရုံးအမှတ်(၁၄) အစည်းအဝေးခန်းမ၌ ကျင်းပပြုလုပ်ခဲ့ပါသည်။

၂။ အဆိုပါအစည်းအဝေး၌ ဆွေးနွေးခဲ့သည့် အကြောင်းအရာများ၏ ကောက်နုတ်ချက်များကို သိရှိနိုင်ပါရန် ပူးတွဲပါဇယားဖြင့် တင်ပြအပ်ပါသည်။

ဥက္ကဋ္ဌ

ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ

မိတ္တူကို

- နိုင်ငံတော်သမ္မတရုံး
- ပြည်ထောင်စုရွေးကောက်ပွဲကော်မရှင်
- ပြည်ထဲရေးဝန်ကြီးဌာန
- ကာကွယ်ရေးဦးစီးချုပ်ရုံး(ကြည်း)
- နယ်စပ်ရေးရာဝန်ကြီးဌာန
- နိုင်ငံခြားရေးဝန်ကြီးဌာန

လျှို့ဝှက်

စဉ်	တင်ပြသည့်ဝန်ကြီးဌာန	အကြောင်းအရာ	ဆုံးဖြတ်ချက်
၂၄။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ Reliance Industries Limited ၊ မြန်မာတိုင်းရင်းသားကုမ္ပဏီ (UNRDS)တို့သည် တနင်္သာရီ ကမ်းလွန် လုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ်များ (Production Sharing Contracts - PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၂၅။	စွမ်းအင်ဝန်ကြီးဌာန	Horizontal Directional Drilling (HDD) တွင်းတူးစက်တွင် တွဲဖက်အသုံးပြုရသည့် Vector Magnetic လမ်းညွှန်စနစ် အသုံးပြုခနှင့် နှစ်စဉ်ကြေးအတွက် ကျသင့်ငွေ ပေးချေခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၂၆။	စက်မှုဝန်ကြီးဌာန	မြိုင်ကလေးရာဘာခြံ၊ ဝါးဘိုးတောစိုက်ကွက်မြေ (၁၉.၃၀)ဧကနှင့် အဆောက်အဦများအား နိုင်ငံတော်သို့ ပြန်လည်အပ်နှံခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၂၇။	စက်မှုဝန်ကြီးဌာန	အာရှဖွံ့ဖြိုးမှုဘဏ်(ADB)မှ နည်းပညာအထောက်အပံ့ပေးမည့် ကျေးလက်ဒေသ လျှပ်စစ်မီးရရှိရေး စီမံကိန်းအတွက် ပြည်ပမှ Solar Home System (SHS)ပစ္စည်းများ တင်သွင်းရာတွင် အခွန်အခ အရပ်ရပ် ကင်းလွတ်ခွင့်ပြုပါရန် တင်ပြခြင်း။	ဘဏ္ဍာရေးဝန်ကြီးဌာနမှ ချမှတ်ထားသော အခွန်မူဝါဒများနှင့်အညီ ဆောင်ရွက်ပေးရန်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၁) / ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၂၀ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ခွဲဝေခံစားရေး စာချုပ်များ ချုပ်ဆို လုပ်ကိုင်ခွင့်ကိစ္စ**

ရည် ညွှန်း ချက် ။ ယင်း၏ ၈-၁-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၁၀/ထ(၂၃/၂၀၁၅)

မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် အိန္ဒိယနိုင်ငံမှရေနံကုမ္ပဏီ Reliance Industries Limited၊ မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ(UNRDS)တို့အား တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-17နှင့် M-18 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန် အတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေး စာချုပ်များ (Production Sharing Contracts -PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းအား လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက် သွားရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

- သမ္မတဦးစီးရုံး
- ဒုတိယသမ္မတဦးစီးရုံးများ
- ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး
- သမ္မတရုံးဝန်ကြီးဌာန(၃)
- သမ္မတရုံးဝန်ကြီးဌာန(၅)

လျှို့ဝှက်

နောက်ဆက်တွဲ(၃)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
စွမ်းအင်ဝန်ကြီးဌာန
(ဝန်ကြီးရုံး)

အကြောင်းအရာ။ ။ မှတ်တမ်းကောက်နုတ်ချက်ပေးပို့ခြင်း

ရည်ညွှန်းချက်။ ။ (၁) စွမ်းအင်ဝန်ကြီးဌာန၏ ၃၀-၁-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၀၀၈ / ၉၁၀ / ထ(၇၅/၂၀၁၅)

(၂) ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး၏ ၂၆-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၃၅/၂၅၇/ အဖရ(၄/၂၀၁၅)

အထက်ရည်ညွှန်း(၁)ပါစာဖြင့် တင်ပြထားသော စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ Reliance Industries Limited၊ မြန်မာ တိုင်းရင်းသားပိုင်ကုမ္ပဏီ United National Resources Development Services Co., Ltd တို့သည် တနင်္သာရီကမ်းလွန်လုပ်ကွက် M-17 နှင့် M-18 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေ ခံစားရေးစာချုပ်များ(Production Sharing Contracts- PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန် တင်ပြခြင်းကိစ္စနှင့်ပတ်သက်၍ ၁၃-၂-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စုအစိုးရအဖွဲ့ အစည်းအဝေးအမှတ်စဉ်(၄/၂၀၁၅)မှ သဘောတူပါကြောင်း ရည်ညွှန်း(၂)ပါစာဖြင့် အကြောင်းကြားလာပါသဖြင့် လိုအပ်သလိုဆက်လက်ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

ဒုတိယဝန်ကြီး(ကိုယ်စား)
(ဌေးအောင်၊ရုံးအဖွဲ့မှူး)

သို့ စွမ်းအင်စီမံရေးဦးစီးဌာန

စာအမှတ်၊ ၅-၂ စွမ်းအင်(၁) (၇၉၈) ၂၀၁၅
ရက်စွဲ ၊ ၂၀၁၅ ခုနှစ်၊ မတ်လ ၅ ရက်

नाम में तब्दीली के परिणामस्वरूप निगमन के लिए नया प्रमाण-पत्र

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

NO.19786/CTA

कम्पनियों के रजिस्ट्रार के कार्यालय में..

[कम्पनी अधिनियम, 1956 (1956 का 1) के अधीन]

In the Office of the Registrar of Companies......Maharashtra, Bombay.......................

[Under the Companies Act, 1956 (1 of 1956)]

....

....के विषय में।

IN THE MATTER OF*...RELIANCE TEXTILE INDUSTRIES LIMITED.

....

मैं एतद्द्वारा प्रमाणित करता हूँ कि ....परिसीमित जिसका निगमन मूलतः 19.............के..............के ....दिन इस †..........................अधिनियम के अधीन और..........................परिसीमित नाम द्वारा किया गया था, कम्पनी अधिनियम 1956 की धारा 21/22(1)(क)/22(1) (ख) के निर्बन्धनों के अनुसार आवश्यक संकल्प पारित कर चुकी है और इसकी बाबत केन्द्रीय सरकार की लिखित अनुमति कम्पनी कार्य विभाग द्वारा प्रदान कर दी गई है।

I hereby certify that RELIANCE TEXTILE INDUSTRIES LIMITED which was originally incorporated on EIGHTH ....day of ......MAY..........19.73...........under the †COMPANIES Act, /56 and under the name MYNYLON LIMITED...... ~~Limited~~ having duly passed the necessary resolution in terms of section 21/22(1)(a)/22(1)(b) of Companies Act, 1956, and the approval of the Central Government signified in writing having been accorded thereto in the Department of Company Affairs,

क्षेत्रीय निदेशक के तारीख..........................19..................के पत्र सं०..........................द्वारा प्राप्त हो जाने पर उक्त कम्पनी का नाम इस दिन..........................परिसीमित में तब्दील कर दिया गया है और यह प्रमाण-पत्र उक्त अधिनियम की धारा 23 (1) के अनुसरण में जारी किया जाता है।

Regional Director Western Region...letter No.RD:30(21)5/85....dated..........18.6.........19.85 the name of the said company is this day changed to....RELIANCE INDUSTRIES LIMITED.......................... Limited and this certificate is issued pursuant to section 23(1) of the said Act.

मेरे हस्ताक्षर से यह तारीख.. को दिया गया।

Given under my hand at........BOMBAY..........................this day of...TWENTY SEVENTH JUNE 19.85... (One thousand nine hundred......EIGHTY FIVE................).

THE SEAL OF THE REGISTRAR OF COMPANIES MAHARASHTRA

[signature]

..............(G.P.JAIN)..............

~~कम्पनियों का रजिस्ट्रार~~

Addl. Registrar of Companies,

Maharashtra, Bombay.

*यहां पर कम्पनी का वह नाम लिखिए जो कि तब्दीली से पूर्व था।

*Here give the name of the Company as existing prior to the change.

†यहां पर अधिनियम (अधिनियमों) का नाम लिखिए जिनके अधीन कम्पनी का मूलतः रजिस्ट्रीकरण और निगमन किया गया था।

† Here give the name of the Act(s) under which the Company was originally registered and incorporated.

जे० एस० सी०-7

J. S. C.-7.

प्रभासमुद्रे०—396-19 जनरल एडमिन/76-77—भासमुद्रे०—(सी-407)—26-8-76—10,000.

MGIPTC—396-19 Genl. Admn./76-77—GIPTC—(C-407)—26-3-76—10,000.

A copy of this document/CERTIFICATE has been recorded with the Chamber

[signature]

Authorised Signatory

Bombay Chamber of Commerce and Industry

Regn. No. 32034 Date 8 JUN

MS. SADHANA RAJESH DESAI

ASSISTANT MANAGER

संख्या 82311 दिनांक
No.................... Date......... 10 JUN 2013
वाणिज्य मण्डल के सहायक सचिव/उप सचिव/
सचिव के हस्ताक्षर सत्यापित किए जाते हैं।
The Signature of Asstt. Secretary/
Dy. Secretary/Secretary of Chamber
of Commerce Attested.

No. 19786

(जार्ज लकरा)
(GEORGE LAKRA)
अनुभाग अधिकारी (ओ.आई.)
Section Officer (O.I.)
सी.पी.वी. प्रभाग/C.P.V. Division
विदेश मंत्रालय, नई दिल्ली
Ministry of External Affairs, New Delhi

विदेश मंत्रालय
Ministry of External Affairs
Govt. of India, New Delhi
भारत सरकार

[कम्पनी अधिनियम, 1956 की धारा 18 (3)]
[Section 18(3) of Companies Act, 1956]

एक राज्य से दूसरे राज्य में रजिस्ट्रीकृत कार्यालय के अन्तरण की पुष्टि करने वाले न्यायालय के आदेश के रजिस्ट्रीकरण का प्रमाण-पत्र

CERTIFICATE OF REGISTRATION OF THE ORDER OF COMPANY LAW BOARD ~~OF COURT~~ CONFIRMING TRANSFER OF THE REGISTERED OFFICE FROM ONE STATE TO ANOTHER

.... ने विशेष संकल्प द्वारा रजिस्ट्रीकृत कार्यालय का .... राज्य से .... राज्य में अन्तरण करके स्थान की बाबत संगम-ज्ञापन के उपबंधों में परिवर्तन कर दिया है और ऐसे परिवर्तन को .... तारीख .... के आदेश द्वारा पुष्टि कर दी गई है।

The RELIANCE TEXTILE INDUSTRIES LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the state of KARNATAKA.......... to the state of MAHARASHTRA and such alteration having been confirmed by an order of BENCH OF THE COMPANY LAW BOARD, NEW DELHI bearing date the 2ND JULY SEVENTY SEVEN

मैं एतद्द्वारा प्रमाणित करता हूं कि उक्त आदेश की प्रमाणित प्रति इस दिन रजिस्ट्रीकृत कर दी गई है।

I hereby certify that a certified copy of the said order has this day been registered.

मेरे हस्ताक्षर से आज तारीख .... को दिया गया।

Given under my hand at BOMBAY.....this FOURTH day of AUGUST..........One thousand nine hundred and SEVENTY SEVEN......

(D. K. BISWAS)
कम्पनियों का रजिस्ट्रार
Registrar of Companies
Maharashtra,
Bombay.

एम० सी०
M.C.—6
MGIPRRND—.../75—...—9-1-76—3,000

THE SEAL OF THE REGISTRAR OF COMPANIES
सत्यमेव जयते
MAHARASHTRA

ATTESTED

Attested the seal of the Ministry of External Affairs of the Government of India and the signature of the authorized official thereof

Second Secretary

No. 612/2013
Date 11/06/2013

(ii)

[Section 18(3) of Companies Act 1956]

CERTIFICATE OF REGISTRATION OF THE ORDER OF xxxx COMPANY LAW BOARD CONFIRMING TRANSFER OF THE REGISTERED OFFICE FROM ONE STATE TO ANOTHER

The RELIANCE TEXTILE INDUSTRIES LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the State of KARNATAKA to the State of MAHARASHTRA and such alteration having been confirmed by an order of BENCH OF THE COMPANY LAW BOARD, NEW DELHI XX XX XX XX XX XX XX bearing date the SECOND DAY OF JULY, 1977.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at BANGALORE this 5th day of AUGUST, One thousand nine hundred and SEVENTYSEVEN.

THE REGISTRAR OF COMPANIES, KARNATAKA
BANGALORE.

(S.N. GUHA),
Registrar of Companies.
Karnataka, Bangalore.

J. S. C-6.
MGIPTC—06-19 General—GIPTC—(C-91)—9-9-66—2,000.

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

In the matter of the Registrar of Companies, Karnataka, Bangalore.

Under the Companies Act, 1956 (I of 1956)

In the matter of "MYNYLON LIMITED"

* * * * * * * * * * * * * * * * * *

I hereby certify that "MYNYLON LIMITED" which was originally incorporated on EIGHTH day of May, 1973 under the Companies Act, 1956 (No.1 of 1956) and under the name "MYNYLON LIMITED" having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in the Regional Director, Company Law Board, Madras letter No F.NO.4/21/MC.3/77 dated 10th March, 1977 the name of the said company is this day changed to "RELIANCE TEXTILE INDUSTRIES LIMITED" and this certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at BANGALORE, this ELEVENTH day of MARCH One thousand nine hundred and SEVENTYSEVEN.

(20th Phalguna 1898 S.E.)

(S.N.GUHA)
REGISTRAR OF COMPANIES,
KARNATAKA, BANGALORE.

THE REGISTRAR OF COMPANIES, KARNATAKA * BANGALORE *

sld.

uv.

सत्यमेव जयते

CERTIFICATE FOR COMMENCEMENT OF BUSINESS

Pursuant to Section 149(3) of the Companies Act, 1956

I HEREBY CERTIFY THAT THE "MYNYLON LIMITED WHICH WAS INCORPORATED UNDER THE COMPANIES ACT, 1956 ON THE EIGHTH DAY OF MAY 1973, AND WHICH HAS THIS DAY FILED A DULY VERIFIED DECLARATION IN THIS PRESCRIBED FORM THAT THE CONDITIONS OF SECTION 149(2) (A) TO (C) OF THE SAID ACT, HAVE BEEN COMPLIED WITH, IS ENTITLED TO COMMENCE BUSINESS.

GIVEN UNDER MY HAND AT BANGALORE, TWENTY-EIGHTH DAY OF JANUARY, ONE THOUSAND NINE HUNDRED AND SEVENTY SIX (8TH MAGHA 1896 S.E.).

The Seal of The Registrar of Companies, KARNATAKA, BANGALORE.

Sd/-
(PROBODH)
Registrar of Companies
Karnataka, Bangalore.

FORM I. R.

CERTIFICATE OF INCORPORATION

No. 2342 XXXX

I hereby certify that " M Y N Y L O N LIMITED " XX XX XX XX XX XX XX

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at B A N G A L O R E this E I G H T H day of M A Y, One thousand nine hundred and S E V E N T Y T H R E E.

(18th VAISAKHA 1895 S.E.)

(G. Srinivasan)
Registrar of Companies
Mysore, Bangalore.

UV.

MEMORANDUM OF ASSOCIATION

MEMORANDUM OF ASSOCIATION
OF
RELIANCE INDUSTRIES LIMITED

I. The name of the Company is **RELIANCE INDUSTRIES LIMITED.**

II. The Registered Office of the Company will be situated in the State of Maharashtra.

III. The objects for which the Company is established are the following:

A. MAIN OBJECTS TO BE PURSUED ON INCORPORATION OF THE COMPANY

1. To carry on the business of manufacturers, dealers, agents, factors, importers, exporters, merchants and financiers of all kinds of man made fibres and man made fibre yarns of all kinds, man made fibre cords of all kinds and man made fibre fabrics of all kinds, mixed with or without mixing, materials like woolen, cotton, metallic or any other fibres of vegetable, mineral or animal origin, manufacturing such man made fibres and man made fibre products of all description and kinds with or without mixing fibres of other origin as described above, by any process using petrochemicals of all description or by using vegetable or mineral oils or products of all description required to produce such man made fibres.

2. To carry on the business of manufacturers, dealers, importers and exporters, merchants, agents, factors and financiers and particularly manufacturers, dealers, etc. of all types of petro-chemicals like Naphta, Methane, Ethylene, Propylene, Butenes, Naphthalene, Cyclohexane, Cyclohexanone, Benzene, Phenol, Acetic Acid, Cellulose Acetate, Vinyl Acetates, Ammonia, Caprolactam, Adipic Acid, Hexamethylene, Diamine Nylon, Nylon-6, Nylon 6.6, Nylon 6.10, Nylon 6.11, Nylon 7, their fibres, castings, mouldings, sheets, rods, etc., Ortho-xylene, Phthalic Anhydride, Alkyd Resins, Polyester fibres and films, mixed Xylenes, Paraxylene, Meta-xylene, Toluene, Cumene, Phenol, Styrene, Synthetic Rubbers, Butenes, Butadiene, Methacrolein, Maleic Anhydride, Methacrylates, Alkyd resins, Urea, Methanol formaldehyde, UF, PF and MF resins, Hydrogen-cyanide, Poly-methyl Methacrylate, Acetylene, P.V.C. Polyethylene, Ethylene, dichloride Ethylene oxide, Ethyleneglycol, Ploygiycols, Polyurethanes, Paraxylenes, Polystyrenes, Polypropylene, Isopropanol, Acetone, Propylene oxide, Propylene glycol, Acrylonitrile, Acrolein, Acylicesters, Acrylic Fibres, Allyl Chloride, Epichlor-hydrin Epoxy resins and all other petrochemical products and polymers in all their forms like resins, fibres, sheets mouldings, castings etc.

3. To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in or using or advising users in the proper use of, cotton yarn, pure silk yarn, artificial silk yarn, staple fibre and such other fibre, fibres and fibrous materials, or allied products, by-products, substances or substitutes for all or any of them, or yarn or yarns, for textile or other use, as may be practicable.

4. To manufacture or help in the manufacturing of any spare parts, accessories, or anything or things required and necessary for the above mentioned business.

B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS

To do or perform all or any of the following operations, acts or things which are necessary or incidental to carry on the above objects:

1. To enter into agreements and contracts with Indian or foreign individuals,companies or other organisations for technical, financial or any other assistance for carrying out all or any of the objects of the Company.

2. To establish and maintain any agencies in India or any part of the world for the conduct of the business of the Company or for the sale of any materials for the time being at the disposal of the Company for sale.

3. To advertise and adopt means of making known the business activities of the Company or any articles or goods traded in or dealt with by the Company in any way as may be expedient including the posting of bills in relation thereto and the issue of circulars, books, pamphlets and price-lists and the conducting of competitions, exhibitions and giving of prizes, rewards and donations.

4. To apply for, purchase or otherwise acquire and protect, prolong and renew trade marks, trade names, designs, secret processes, patent rights, "Brevets D'Invention" licenses, protections and concessions which may appear likely to be advantageous or useful for the Company and to spend money in experimenting and testing and improving or seeking to improve any patents, inventions or rights, which the Company may acquire or propose to acquire or develop.

4-A. To expend money on research, experimentation, development, testing, improving or seeking to improve existing products, patents, rights, etc., in connection with any of its activities in pursuance of the aforesaid objects and to expend money to invent, develop, or seek, any new products allied to and in the course of pursuing the objects as detailed in this clause.

4-B. To work, develop, license, sell or otherwise deal with any inventions in which the Company is interested whether as Owner, Licensee or otherwise, and to make, levy, or hire any machinery required for making or desirable to be used as machines included in such inventions.

5. To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person, firm, or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any business or undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the Company; and to lend money, to guarantee the contracts of or otherwise assist any person, firm or Company and to take or otherwise acquire and hold shares or securities of any such person, firm or company and to sell, hold, re-issue with or without guarantees or otherwise deal with such shares and securities.

6. To enter into any arrangement with any Government or State Authority, Municipal, Local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or State Authority, any rights, privileges and concessions which may seem conducive to the Company's objects or any of them.

7. To purchase or otherwise acquire and undertake the whole or any part of the business property and liabilities of any person, firm or company carrying on any business which this Company is authorised to carry on and to purchase, acquire, apply for, hold, sell and deal in shares, stock, debentures or debenture stock of any such person, firm or company and to conduct, make or carry into effect any arrangement in regard to the winding up of the business of any such person, firm or company.

8. To construct, acquire, establish, provide, maintain and administer factories, estates, railways, buildings, water reservoirs, sheds, channels, pumping installations, generating installations, pipelines, garages, storages and accommodation of all descriptions in connection with the business of the Company.

9. To apply for tender, purchase or otherwise acquire any contracts and concessions for or in relation to the construction, erection, equipment, improvement, managements, administration or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same.

To buy, lease or otherwise acquire lands, buildings and other immovable properties and to sell, mortgage or hypothecate or otherwise dispose of all or any of the properties and assets of the Company on such terms and conditions as the Company may think fit.

11. To amalgamate with any Company or Companies having objects altogether or in part similar to those of this Company.

12. To pay all costs, charges and expenses of and incidental to the formation, promotion, registration and establishment of the Company and issue of its capital including any underwriting or other commission, broker's fee and charges in connection therewith including costs, charges of negotiations and contracts and arrangements made prior to and in anticipation of the formation and incorporation of the Company.

13. To remunerate or make donations (by cash or other assets or by the allotment of fully or partly paid shares or by call on shares; debenture stock or securities of this or any other company or in any other manner) whether out of the Company's capital, profits or otherwise to any person or firm or company for services rendered or to be rendered in introducing any property or business to the Company or placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stock or other securities of the Company or for any other reason which the Company may think proper.

14. To undertake and execute any trust, the undertaking whereof may seem desirable either gratuitously or otherwise.

15. To draw, make, issue, accept and to endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading, delivery orders, warrants, warehouse-keeper's certificates and other negotiable or commercial or mercantile instruments connected with the business of the Company.

16. To open accounts with any individual, firm or company or with any bank or banks and to pay into and to withdraw moneys from such account or accounts.

17. Subject to the provisions of the Companies Act, 1956, to invest, apply for and acquire or otherwise employ moneys belonging to, entrusted to or at the disposal of the Company upon securities and shares or without security upon such terms as may be thought proper and from time to time vary such transactions in such a manner as the Company may think fit.

18. To lend or deposit moneys belonging to or entrusted to or at the disposal of the Company to such person or company and in particular to customers and others having dealings with the Company with or without security, upon terms as may be thought proper and guarantee the performance of contracts by such person or company but not to do the business of banking as defined in the Banking Regulation Act.

19. To make advances upon or for the purchase of materials, goods, machinery, stores and other articles required for the purpose of the Company.

(a) To receive money on deposit at interest or otherwise subject to the Rules, if any prescribed by the Reserve Bank of India.

20. To borrow or raise money with or without security or to receive money on deposit at interest or otherwise, in such a manner as the Company may think fit and in particular by the issue of debentures or debenture stock-perpetual or otherwise including debenture or debenture stock convertible into shares of this or any other company and in security of any such moneys to be borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital and to purchase, redeem or pay off any such securities.

21. To sell, mortgage, assign or lease and in any other manner deal with or dispose of the undertakings or properties of the Company or any part thereof, whether movable or immovable for such consideration as the Company may think fit and in particular for shares, debentures or other securities of any other company having objects altogether or in part similar to those of this Company.

22. To improve, manage, work, develop, alter, exchange, lease, mortgage, turn to account, abandon or otherwise deal with all or any part of the properties, rights and concessions of the Company.

23. To provide for the welfare of the employees or ex-employees of the Company and the wives, widows, families or dependants or connections of such persons by building or contributing to the building of houses, dwellings or by grant of money, pensions, gratuity, bonus payment towards insurance or other payment or by creating from time to time, subscribing or contributing to, adding or supporting provident funds or trusts or conveniences and by providing provident funds or trusts or conveniences and by providing or subscribing or contributing towards places of instruction or recreation hospitals and dispensaries, medical and other attendance and other assistance as the company shall think fit.

24. Subject to the provisions of the Companies Act, 1956 to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects or any public, general or useful objects.

25. To distribute any of the properties of the company amongst the members in specie or kind upon the winding up of the Company.

26. To fabricate, purchase, construct, take on lease/rent, erect, maintain, machineries, plants, equipments, structurals, carriages related to the business activities of the company and to take on lease, purchase or otherwise acquire lands and other places including offshore areas which seem capable or affording a supply of natural gas and mineral oils.

[1]27. To deal in or engage in the manufacture of materials required for the packing and preservation and despatch of finished and unfinished goods, raw materials and articles required for the Company, or produced by the Company.

C. OTHER OBJECTS NOT INCLUDED IN (A) AND (B)

1. To manufacture, buy, sell, convert and fabricate, film bags, tubes, containers of any size or shape, rigid, flexible or a composite of both from any thermoplastics or thermosetting materials by the moulding, processing, extruding, blowing or any combination of the above and any other methods of forming or conversion and to undertake the sealing, printing, stamping, shaping, packing of articles mentioned above.

2. To promote, establish, acquire and run or otherwise carry on the business of plastic industry or business of manufacturers of and dealers in plastic products and materials, Thermoplastic and Thermosetting and of wax, bakelite, celluloid products or processes and to sell purchase or otherwise acquire or deal in materials or things in connection with such trade, industry or manufacture.

3. To carry on business of the manufactures and dealers, importers and exporters of natural and synthetic resins, moulding powders, adhesives and cements, oil paints, distempers, cellular paints, colours, varnishes, enamels, gold and silver yeaf enamels, spirits and other allied articles.

4. To carry on the business of water proofers and manufacturers of Indian Rubber, leather, imitation leather, leather cloth, plastics, oil cloth, linoleum, tarpaulins, hospital sheetings and articles made therefrom.

5. To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as wholesale or retail chemists, druggists, analytical or pharmaceutical chemists, drysalters, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids, drugs tanins, essences pharmaceutical, sizing, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever; mineral and other waters, soaps, cements, oils, fats, paints, varnishes, compounds, rubber chemicals or preparations, drugs dyestuffs, organic or mineral, intermediates, paints and colour grinders and of electrical chemical photographical, surgical and scientific apparatus and materials and to manufacture, refine, manipulate, import and deal in salts and marine minerals and their derivatives, by-products and compounds of any kind whatsoever.

6. To carry on the business of mechanical engineers, machinists, fitters, millwrights, founders, wire drawers, tube makers, metallurgists, saddlers, galvanizers, japanners, annealers, enamellers, electroplaters, painters and packing case makers.

7. To carry on the business of electrical engineers and contractors, suppliers of electricity, manufacturers of and dealers in railway, tramway, electric, magnetic, galvanic, and other apparatus, and suppliers of light, heat, sound and power.

8. To carry on the business of Financiers, Guarantee Brokers, Concessionaires and Merchants.

9. To carry on business as Agents of all kinds and descriptions.

[2]10. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist, execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing "programme of rural development" shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under Section 35 CC of the Income-tax Act, 1961 or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes, transfer without consideration, or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any Public Institutions or Trusts or Funds as the Directors may approve.

[2]11. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Director may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Director may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust etc. having any one of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes, transfer without

consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts or Funds as the Directors may approve.

[3]12. To investigate, search, survey, prospect, explore, extract, drill, dig, raise, pump, produce, refine, purify, separate, treat, process, blend, store, transport, distribute, market, sell, pack and otherwise deal in mineral oils and other derivatives, by-products, mixtures in gaseous, liquid or solid forms.

[3]13. To carry on business of manufacturing, producing, processing, treating, making, taking on hire or otherwise acquiring, blending, formulating, packaging, finishing, distributing, selling, marketing, wholeselling, retailing, importing, exporting, buying, fabricating, assembling, servicing, repairing, maintaining of all types/grades, kinds, sizes and descriptions of photographic films, photo papers, chemicals, reagents, substances, equipments, instruments, accessories, raw materials for photographic goods, tools, apparatus, products and supplies, for audio visual communication films and products, image and document production and copying and information gathering, recording, handling, storing, retrieval products.

[3]14. To manufacture, produce, make, extract, refine, purify, separate, process, treat, formulate, blend, buy, sell, market, distribute, export, import, pack and otherwise deal in all types of gaseous, liquid or solid organic and inorganic chemicals, their compounds, derivatives and by products mixtures and finished products thereof, including petrochemicals, fertilizers, pesticides, fungicides, weedicides, insecticides, and drugs intermediates, agro chemicals, fine and specially chemicals, dyes and dye intermediates, plastics, polymers, bio-chemicals, detergents, cosmetics, glass and industrial chemicals.

[3]15. To carry out investigation, basic and fundamental research, applied research, design, development, experimental work, pilot plant work, commercial work, scale up works and every description in all branches of science, engineering and technology for producing, discovering, invention, making improvements in, modifications to, effecting cost reduction or energy savings in all forms of energy including solar energy, nuclear energy, thermal energy, hydro electric energy, energy from gases, minerals, chemicals, elements and compounds of every description.

[3]16. To carry on the business of financing industrial enterprises relating to textile, engineering, chemicals, automobiles and pharmaceuticals industries and also in respect of the objects of the company.

[3]17. To act as recognised Trading House and for that purpose indent, buy, sell, deal, import, export raw materials, commodities, products including agricultural, marine, meat, poultry and dairy products, metals, jewellery, pearls, stones, minerals, goods, articles, spare parts, appliances, machinery equipments as may be authorised or permitted by Government through trade policies and also to act as an Export House.

[1]18. To carry on business of Shipping and allied activities including purchase/sale of ships, transportation, storage, import, export of all types of merchandise, ship breaking in India or any part of the world, and to act as shipping agents, stevedores, charterers and hirers.

[1]19. To carry on the business of construction and operating of port and port related facilities by itself or in association with one or more parties.

[1]20. To enter into contracts and agreements for services in connection with the undertaking of market survey and for development of markets in any part of the world for raw materials, semi finished goods and finished goods and other articles and things and for that purpose to act as superintendents, surveyors, valuers and analysers.

[1]21. To carry on the business of engineers in different disciplines, whatsoever now known to engineering and to be included in future such as welders, tool makers, fabricators, sheet metal processors, boiler makers, castings, pressings, forgings, stamping, manufacturers of pipe tank and pressure vessels in all their respective branches.

[1]22. To carry out investigation, basic and fundamental research, applied research, pilot plant and commercial scale operations and setting up facilities for the same, on its own or in association with others in the fields in which company is engaged.

[1]23. To carry on the business of setting up facilities for generation/distribution of all forms of energy, whether from conventional sources such as thermal, hydel, or from non-conventional sources such as tide, wind, solar, geo-thermal including operation/ maintenance of facilities for generation and distribution of all forms of energy.

[4]24. To carry on business as merchants, traders, commission agents, buying and selling agents, brokers, adatias, importers, buyers, sellers, exporters, dealers and to import, export, buy, sell, barter, exchange, or otherwise trade and deal in goods, produce, articles and merchandise of any kind whatsoever in India or any where in the world as allowed under Trade Laws.

[4]25. To carry on businesses of designers, manufacturers, processors, assemblers, dealers, traders, distributors, importers, exporters, agents, consultants, system designers and contractors for erection and commissioning on turn key basis, or transporting, converting, repairing, installing, training, servicing, maintenance of all kinds of (i) telephone instruments, intercoms, accessories and components thereof for telecommunications, (ii) radio communication equipments like receivers, transmitters, trans-receivers, walkie talkie radio relay equipment, point to point communication equipments, antennas and associated equipment, single channel, multi channel, fixed frequency, variable frequency, static, mobile, airborne, shipborne equipments in HF, VHF, UHF and Microwave, spectrum, TV systems, receivers, transmitters, pattern generators and associated equipments, amplifiers, oscillators synthesisers, waveform generating, measuring and associated equipments, sonic, ultrasonic and radio frequency ranging and depth finding sonar and telemetry cording and data transmission equipments, data acquisition, processing and logging equipments, calculators, computers, mini computers and micro-computers, printers, headers, display terminals, facsimile transmitting and receiving equipments and systems, (iii) signalling, telecommunication and control equipments used in roads, railways, ships, air crafts, ports, airports, railway stations, public places alongwith associated accessories and test rigs, (iv) instruments, testing equipments, accessories for repair, maintenance, calibration and standardization of all the above items in laboratories, service centres, processing plants, manufacturing plants and at customers places; to plan, establish, develop, provide, operate and maintain all types of telecommunication services including, operating/franchising public telecommunication centers, issuing telephone debit cards, issuing telephone calling cards, operating card-based public telephones, publishing telephone directories, telex, wireless, data communication telematic and other like forms of communication and to manufacture wireless transmitting and receiving equipments, including radios, television equipments, operating/franchising video conferencing centers, providing private net-work services, providing enhanced electronic communications services including, on-line data base services, public data networks, electronic messaging services like E-Mail, remote computing facilities, fax store-and-forward services, satellite-based services using very small to ultra small aperture terminals, encryption and coding services for data, voice and video transmission, voice-mail services, broadcasting equipments, microphones, amplifiers, loud speakers and telegraphic instruments and equipments and accessories of the said instruments and articles.

[4]26. To explore, develop, produce, purchase or otherwise acquire petroleum crude oil, natural gas, all kinds of hydrocarbons and mineral substances, both on-shore, within the territorial jurisdiction of the Indian Union and anywhere in the World and to manufacture, refine, extract, treat, reduce, distill, blend, purify and pump, store, hold, transport, use, experiment with, dispose of, import, export and trade and generally deal in any and all kinds of petroleum crude oil, natural gas, associated gas, petroleum products, oil, gas and other volatile substances, asphalt, bitumen, bituminous substances, carbon, carbon black, hydro carbon and mineral substances and the products or the by-products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom the substances obtained by mixing any of the foregoing with other substances.

[4]27. To invest in and acquire, hold or otherwise deal in any shares, stocks, debentures, debenture stock, warrants, any other financial instruments, bonds obligations and Securities issued or guaranteed by any company constituted or carrying on the business in India or elsewhere or Government, State Government, Semi Government Authorities, local Authorities, Public Sector Undertakings, Financial Institutions, Public Body, any other persons or otherwise, and to carry on and undertake the business of finance, making loans or advances, investment, merchant bankers, underwriters.

[4]28. To act as hirers, lessors and to finance lease operations of all kinds, purchasing, selling, hiring or letting/leasing on hire all kinds of plant and machinery and equipment and to assist in financing of all and every kind and description of hire-purchase or deferred payment or similar transactions and to subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable properties including lands and buildings, plant and machinery, equipments, ships, aircrafts, automobiles, computers, and all consumer, commercial, medical and industrial items and to lease or otherwise deal with them including resale thereof.

[4]29. To construct, erect, maintain, improve and work or aid in, contribute or subscribe to the construction, erection and maintenance, improvement or working of any laboratories, research and developments establishment, basic research or design institute, pilot plants and to apply for, purchase or otherwise acquire any patents, brevets d'invention, licenses, concessions and the like conferring an exclusive or non-exclusive or limited right to use any secret or other information as to any invention and to use, exercise, develop, grant licenses in respect of or otherwise turn to account the property rights and information so acquired and to act as consultants in the field of chemical, mechanical, electrical, civil, industrial and other branches of engineering and technology, production, marketing, distribution, finance, materials, personnel, planning, computers, management information systems and other types of management.

[4]30. To carry on the business of construction of roads, bridges, tunnels, setting up of various infrastructural facilities for village, town/city developments and to carry on the business of builders, contractors, dealers in and manufacturers of pre-fabricated and precast houses, buildings, and erections and materials, tools, implements, machinery and metalware in connection therewith.

[4]31. To purchase, take on lease or otherwise acquire any mining rights, mines and lands in India or elsewhere and to pump, refine, raise, dig and quarry all natural resources including gold, silver, diamonds, precious stones, coal, earth, limestone, iron, aluminum, titanium, vanadium, mica, apalite, chrome, copper, gypsum, lead, manganese, molybednum, nickel, platinum, uranium, rutile, sulphur, tin, zinc, zircon, bauxite and tungsten and other ores and minerals and believed to contain metallic, or mineral, saline or chemical substances, kisselghur, french chalk, china clay, bentonite

and other clays, boryles, calcite and such other filler materials, earths or other ingredients including coal, lignites, rock phosphate, brimstone, brine, rare earths and to explore, work, exercise, develop and turn to account the same and to carry on business as producers, buyers, and acquire, obtain, refine, cut, polish, prepare, melt, import, export or otherwise deal in gold, silver, bullion, jewelry, diamonds, precious stones, artificial man made jewelry, gems and novelties.

[4]32. To acquire, utilise, grow, plant, cultivate, produce and to exploit any estates or lands for floricultural, agricultural, horticultural, plantation, sericultural and farming purposes and agro industrial projects and to carry on business as producers, planters, processors, growers, cultivators, traders, buyers and sellers, importers, agents, consultants, dealers, storekeepers and distributors and exporters for any ordinary or specialised floricultural, agricultural, horticultural, sericultural and agro-industrial products and commodities, including flowers, fruits, vegetables, food-grains, pulses, seeds, cash crops, cereal products and flora.

IV. Liability of members is limited.

[5]V. The authorized share capital of the Company is Rs. 6000,00,00,000/- (Rupees Six Thousand Crores Only) consisting of 500,00,00,000 (Five Hundred Crores) equity shares of Rs. 10/- (Rupees Ten Only) each and 100,00,00,000 (One Hundred Crores) preference shares of Rs. 10/- (Rupees Ten Only) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.".

Foot Notes:

1. *Inserted by passing resolution at the 14th Annual General Meeting held on 22nd December, 1988, and confirmed by the Company Law Board, Western Region Bench, Bombay, vide Petition No. 204(17)CLB-WR of 1990 dated 31st May, 1993.*

2. *Inserted by passing resolution at the 4th Annual General Meeting held on 23rd March, 1978, and confirmed by the Company Law Board, Western Region Bench, Bombay, vide Petition No. 167(17)CLB-WR of 1978 dated 22nd December, 1978.*

3 *Inserted by passing resolution at the Extraordinary General Meeting held on 24th January, 1984 and confirmed by the Company Law Board, Western Region Bench, Bombay, vide Petition No. 83(17)CLB-WR of 1984 dated 28th November, 1984.*

4. *Inserted by passing resolution at the 20th Annual General Meeting held on 19th August, 1994, and confirmed by the Company Law Board, Western Region Bench, Bombay, vide Petition No. 158/17/CLB/WR/1996 dated 13th August, 1996.*

5. *The authorised share capital of the Company of Rs. 3,75,00,000/- at the time of incorporation was modified from time to time by possing requisite resolutions at the meeting of the members. The details of the modified authorised capital since incorporation till date is stated herein below:*

(Amount In Rupees)

Date of Modification	Equity Share Capital	Preference Share Capital	Unclassified Capital	Total Authorised Capital
Original Share Capital at the time of incorporation				
	3 00 00 000	75 00 000		3 75 00 000
Subsequent Modifications				
January 18, 1977	8 00 00 000	1 00 00 000	1 00 00 000	10 00 00 000
May 9, 1979	18 00 00 000	1 00 00 000	1 00 00 000	20 00 00 000
April 24, 1981	19 00 00 000	1 00 00 000		20 00 00 000
February 23, 1982	50 00 00 000	10 00 00 000		60 00 00 000
June 20, 1984	75 00 00 000	10 00 00 000		85 00 00 000
June 26, 1986	1 15 00 00 000	10 00 00 000		1 25 00 00 000
June 24, 1987	1 25 00 00 000	10 00 00 000		1 35 00 00 000
August 10, 1987	1 50 00 00 000	5 80 00 000	94 20 00 000	2 50 00 00 000
December 22, 1988	2 00 00 00 000	5 80 00 000	44 20 00 000	2 50 00 00 000
April 7, 1992	3 50 00 00 000	5 80 00 000	44 20 00 000	4 00 00 00 000
August 19, 1994	4 50 00 00 000	3 05 50 00 000	2 44 50 00 000	10 00 00 00 000
October 16, 1997	12 00 00 00 000	10 00 00 00 000		22 00 00 00 000
September 19, 2002	25 00 00 00 000	5 00 00 00 000		30 00 00 00 000
September 11, 2009	50 00 00 00 000	10 00 00 00 000		60 00 00 00 000

...veral persons, whose names and addresses are subscribed below are desirous of ...ned into a Company in pursuance of this Memorandum of Association, and we ...ly agree to take the number of shares in the capital of the Company set opposite to ...ctive names:

...ame of Subscribers		Address, description and occupation of the subscribers	Number of equity shares taken by each subscriber	Witness with address, description and occupation
1	2	3	4	5
1	M.D. SHIVNANJAPPA For Mysore State Industrial Investment and Development Corporation Ltd.	36, Cunningham Road Bangalore - 18	500	C.V. SRINIVASA MURTHY, S/O. C.B. VENKOBA RAO Accounts Officer, Mysore State Investment & Development Corporation Limited, 36, Cunningham Road, Bangalore - 560 018
2.	M.D. SHIVNANJAPPA S/o M.P. DEVAPPA	Chairman and Managing Director, M.S.I.D.C. Ltd., 36, Cunningham Road Bangalore - 18	100	
3.	T.R. SATISH CHANDRAN S/o T. RAMAIYA	Commissioner & Secretary to Govt. of Mysore, Commerce and Industries Dept, Bangalore	100	
4.	C.S. SHESHADRI S/o S. SITARAMIAH	Managing Director, Mysore State Financial Corporation, Bangalore.	100	
5.	T. RAMESH U. PAI S/o U. A. PAI	Industrialist, Chitrakala Manipal	100	
6.	DR. RAMDAS M. PAI S/o. DR. T.M.A. PAI	Administrator, Geethanjali, Manipal	100	
7.	B. PUTTARAJ URS S/o. PUTTARAJ URS	Secretary, Industrial Investment and *Development* Corporation Ltd., 36, Cunninngham Road, Bangalore – 18.	100	
		TOTAL SHARES TAKEN	1,100	

Dated 4th May, 1973

ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF RELIANCE INDUSTRIES LIMITED

These articles of association were adopted in substitution for and to the entire exclusion of the earlier articles of association at the extraordinary general meeting of the company held on 24th January, 1984.

TABLE 'A' EXCLUDED

1. (a) The regulations contained in the Table marked "A" in Schedule I to the Companies Act, 1956 (hereinafter called the Act or the said Act) shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. — *Table "A" not to apply*

(b) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles. — *Company to be governed by these Articles*

INTERPRETATION

2. The marginal notes used in these Articles shall not affect the construction hereof. — *Marginal notes not authoritative*

(a) In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context: — *Interpretation Clause*

"The Company" or "This Company" means Reliance Industries Limited. — *"The Company" or "This Company"*

"The Act" or "The said Act" means the Companies Act, 1956 (Act 1 of 1956) and subsequent amendments thereto or any statutory modifications or re-enactments thereof for the time being in force. — *"The Act"*

"Alter" and "Alteration" shall include the making of additions and omissions. — *"Alter" and "Alteration"*

"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of Section 166 of the Act and any adjourned holding thereof. — *"Annual General Meeting"*

"Articles" means the Articles of Association of the Company as originally framed or as altered from time to time. — *"Articles"*

"Auditors" means and includes those persons appointed as such for the time being of the Company. — *"Auditors"*

"Board" or the "Board of Directors" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board, or the requisite — *"Board" or "Board of Directors"*

number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively.

"Body Corporate" or "Corporation" — "Body Corporate" or "Corporation" includes a Company incorporated outside India but does not include:

(a) a corporation sole;

(b) a co-operative society registered under any law relating to co-operative societies; and

(c) any other body corporate (not being a Company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf.

82309 10 JUN

संख्या .... दिनांक ....
No. .... Date. ....
हस्ताक्षर हैं। The Signature of Asstt. Secretary/ Dy. Secretary/Secretary of Chamber of Commerce Attested.

"Capital" — "Capital" means the Share Capital for the time being raised or authorised to be raised, for the purposes of the Company.

"Company" — "Company" shall include a Company as defined in Section 3 of the Act.

"Corporation" — "Corporation" shall include a Company whether incorporated and formed under the Act or not.

"Debenture" — "Debenture" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

(जार्ज लकरा)
(GEORGE LAKRA)
अनुभाग अधिकारी (ओ.आई.)
Section Officer (O.I.)
सी.पी.वी. प्रभाग/C.P.V. Division
विदेश मंत्रालय, नई दिल्ली
Ministry of External Affairs
New Delhi

"Directors" — "Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board or acting by circular resolution under the Articles.

"Dividend" — "Dividend" includes bonus unless otherwise stated.

"Document" — "Document" includes summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of this or any other Act or otherwise.

ATTESTED

Attested the seal of the Ministry of External Affairs of the Government of India and the signature of the authorized official thereof

"Extraordinary General Meeting" — "Extraordinary General Meeting" means general meeting of the members other than Annual General Meeting duly called and constituted and any adjourned holding thereof.

"Gender" — Words importing the masculine gender also include, where the context requires or admits, the feminine gender.

"Managing Director" — "Managing Director" means a Director who by virtue of an agreement with the Company or a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum and Articles of Association is entrusted with substantial powers of management

Khual Cin Kam
Second Secretary

"Meeting" or "General Meeting" — "Meeting" or "General Meeting" means a meeting of Members.

No. 814/2013
Date 11/06/2013

"Member" — "Member" means the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company.

"Memorandum" — "Memorandum" means the Memorandum of Association of the Company as originally framed or as altered from time to time.

"Month" means a calendar month. "Month"

"Office" means the Registered Office for the time being of the Company. "Office"

A Resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting. "Ordinary Resolution"

"Paid-up Capital" or "Capital paid-up" includes Capital credited as paid-up. "Paid-up Capital"

"Persons" include firms and corporations as well as individuals. "Persons"

Words importing the plural number also include, where the context requires or admits, the singular number, and vice versa. "Plural Number"

"Proxy" includes attorney duly constituted under the power of attorney. "Proxy"

"Public Holiday" means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting. "Public Holiday"

"Register of Members" means the Register of Members to be kept pursuant to the Act. "Register of Members"

"Registrar" means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situate. "Registrar"

"Seal" means the Common Seal of the Company for the time being in force. "Seal"

"Secretary" means any individual possessing the prescribed qualifications appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties. "Secretary"

"Section" or "Sections" means a Section of the Act for the time being in force. "Section"

"Share" means share in the Share Capital of the Company, and includes stock except where a distinction between stock and share is expressed or implied. "Share"

A Resolution shall be a Special Resolution when - "Special Resolution"

i) the intention to propose the resolution as a special resolution has been duly specified in the notice calling

the general meeting or other intimation given to the members of the resolution;

ii) the notice required under the Act has been duly given of the general meeting; and

iii) the vote cast in favour of the resolution (whether on a show of hands, or on a poll, as the case may be) by members who, being entitled so to do vote in person, or where proxies are allowed, by proxy, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting.

"These Presents"

"These Presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time by Special Resolution.

"Variation" and "Vary"

"Variation" shall include abrogation and "Vary" shall include abrogate.

"Written" and "in Writing"

"Written" and "in Writing" include printing, lithography and other mode or modes of representing or reproducing words in a visible form or partly one and partly the other.

"Year" and "Financial Year"

"Year" means a calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

"Beneficial Owner"

[1] (aa) (i) 'Beneficial Owner' shall mean the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;

"Depositories Act"

(ii) 'Depositories Act' means the Depositories Act 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force; and

"Depository"

(iii) 'Depository' shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

Expression in the Act to bear the same meaning in Articles

(b) Save as aforesaid, any words or expressions defined in the Acts shall, except where the subject or context forbids, bear the same meaning in these Articles.

Copies of Memorandum and Articles to be furnished by the Company

3. Pursuant to Section 39 of the Act, the Company shall, on being required by a member, send to him within 7 (Seven) days of the requirement and subject to the payment of a prescribed fee, a copy of each of the following documents, as in force for the time being:

(i) the Memorandum;

(ii) the Articles, if any;

(iii) every other agreement and every resolution referred to in Section 192, of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

Company's funds may not be applied in purchase of or lent for shares of the Company

4. (a) The Company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act.

(b) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit:-

(i) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or

(ii) the making by the Company of loans, within the limit laid down in sub-section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership;

(c) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months;

(d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act.

SHARE CAPITAL AND VARIATION OF RIGHTS

5 [2](a) The authorized share capital of the Company is Rs. 6000,00,00,000/- (Rupees Six Thousand Crores Only) consisting of 500,00,00,000 (Five Hundred Crores) equity shares of Rs. 10/- (Rupees Ten Only) each and 100,00,00,000 (One Hundred Crores) preference shares of Rs. 10/- (Rupees Ten Only) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company Share Capital

(b) The cumulative redeemable shares shall confer on the holders thereof the right to a fixed cumulative preferential dividend at the rate of 11% per annum or such other rate as may be fixed by the Board of Directors from time to time either at the time of issue or revising the rate of dividend on the existing preference shares in conformity with the

rate from time to time prescribed under the Preference Shares (Regulation of Dividend) Act, 1960 free of Company's tax, but subject to deduction of tax at source at the prescribed rates, on the capital, for the time being paid-up thereon, or deemed to be paid-up thereon and in the event of winding up the right to redemption of capital and arrears of the said fixed dividend accrued upto the date of the commencement of the winding up and payable whether such dividend has been earned or declared or not, and shall as regards such dividend and payment in winding up rank in priority to equity shares in the capital of the Company for the time being, but the said preference shares shall not entitle the holder thereof to any further or other participation in the profits or assets of the Company.

(c) The preference shares shall be redeemed on the expiry of 15 years from the date of allotment provided, however, that the Company shall have the option to redeem the same earlier but not earlier than 12 years from the date of allotment.

(d) If the Company through its Directors decides to redeem only a part of the preference shares for the time being outstanding during the period mentioned in paragraph (c) above, the said preference shares to be redeemed on each occasion shall be determined by drawing of lots to be made at such time and place and in such manner as the Directors may determine, but in the presence of atleast one of the Directors and representative of the auditors of the Company for the time being.

(e) The Company shall not create and/or issue preference shares in future ranking in priority to the preference shares already issued and further in the event the Company creates and/or issues preference shares in future ranking pari passu with the preference shares already issued, it would do so only with the consent in writing of the holders of not less than 3/4th of the preference shares then outstanding or with the sanction by a special resolution passed at a separate meeting of the holders of preference shares.

[3](f) Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue shares, either equity or any other kind with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.

[3](g) The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increase in Capital

6. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.

(a) Subject to the provisions of Sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

On what conditions the new shares may be issued

(b) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of the increased share capital:

Further issue of capital

(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;

(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice shall contain a statement of this right;

(iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(c) Notwithstanding anything contained in the preceding sub-clause, the Company may:

(i) by a special resolution; or

(ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where

proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or persons, and such person or persons may or may not include the person/s who at the date of the offer, are holders of the equity shares of the Company.

(d) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

Directors may allot shares as fully paid-up

(e) Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as the case may be.

Same as original capital

(f) Except so far as otherwise provided by the conditions of Issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

Power to issue Redeemable Preference Shares

8. (a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are to be liable to be redeemed:

Provided that:

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;

(ii) no such shares be redeemed unless they are fully paid;

(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed;

(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of

profits which would otherwise have been available for dividends, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid-up share capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorised Share Capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything in this article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

Provision in case of Redemption of Preference Shares

9. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:-

(a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its

registered office in the presence of one Director at least; and

(b) Forthwith after every such drawing, the Company shall notify to the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefor.

Reduction of Capital

10. The Company may from time to time by special resolution, subject to confirmation by the court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or premium account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may by:

(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid-up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid-up share capital which is lost or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares

11. Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:-

(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject

to the provisions of the Act, be given any preference or advantage over the others or any other such shares.

(c) convert, all or any of its fully paid-up shares into stock, and re-convert that stock into fully paid-up shares of any denomination.

(d) cancel, shares which at the date of such general meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Notice to Registrar of Consolidation of Share Capital, Conversion of Shares into Stocks etc.

12. (a) If the Company has:-

(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;

(ii) converted any shares into stock;

(iii) reconverted any stock into shares;

(iv) sub-divided its share or any of them;

(v) redeemed any redeemable preference shares; or

(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act, the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

Issue of Shares out of Unclassified Share Capital

[4]12 A. Any unclassified shares (whether forming part of the original capital or of any increased capital of the Company) may subject to the provisions of Act these presents be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting sanctioning the issue of such shares be directed and, if no such direction be given and in all other cases, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company and any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed, provided however that (1) no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall subject to the provisions of Section 81 of the Act be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid-up on those equity shares and (2) no unclassified shares shall without the sanction of the Company in General Meeting be issued as preference shares if the aggregate nominal amount of issued preference shares would

thereby exceed the aggregate nominal amount of the issued ordinary shares of the Company."

Modification of Rights

13. If at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be the quorum.

SHARES AND CERTIFICATES

Issue of further Shares not to affect Rights of existing Shareholders

14. The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.

Provisions of Section 85 to 88 of the Act to apply

15. The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.

Register of Members and Debentureholders

16. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Section 150 and 151 of the Act and Register and Index of Debentureholders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debentureholders in accordance with Section 157 of the Act.

(b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filing of Annual Returns.

(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, copies of Annual Returns and giving inspection thereof and furnishing copies thereof.

Commencement of Business

17. The Company shall comply with the provisions of Section 149 of the Act.

Restriction on Allotment

18. The Board shall observe the restriction as to allotment of shares to the public contained in Section 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

19. The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares to be numbered progressively and no Shares to be Subdivided

20. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in general meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business; and any shares which may be so allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid shares.

Shares at the disposal of the Directors

21. (i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.

Every Share transferable etc.

(ii) Each share in the Company shall be distinguished by its appropriate number.

(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be, prima facie, evidence of the title of the member of such shares.

22. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the share premium account"; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the share premium account were paid-up share capital of the Company.

Application of Premium received on Issue of Shares

(b) The share premium account may, notwithstanding anything in clause (a) above, be applied by the Company;

(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(ii) in writing off the preliminary expenses of the Company;

(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or

(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

Sale of fractional Shares	23.	If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
Acceptance of Shares	24.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.
Deposit and calls etc. to be debt payable immediately	25.	The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
Trust not recognised	26.	Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.
Issue of Certificates of Shares to be governed by Section 84 of the Act etc.	27.	(a) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.
		(b) The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors

or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

28. (a) Every member shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a Certificate of shares to one of several jointholders shall be sufficient delivery to all such holders.

Limitation of time of issue of certificate

(b) The Company shall not entertain any application for split of share/debenture certificate for less than 10 shares/ debentures (all relating to the same series) in market lots as the case may be.

Provided, however, this restriction shall not apply to an application made by the existing member or debentureholder for split of share/debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.

(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

29. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new Certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 1/-

Issue of new Certificate in place of one defaced, lost or destroyed

for each Certificate) as the Directors shall prescribe. Out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.

Provisions to apply to Debentures

30. The provisions of the Article under this heading shall mutatis mutandis apply to debentures of the Company.

UNDERWRITING COMMISSION AND BROKERAGE

Power to pay certain commission & prohibition of payment of all other commissions, discounts etc.

31. (A) The Company may pay a commission to any person in consideration of:-

(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act; or

(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in, or debentures of the Company, if the following conditions are fulfilled, namely:-

(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;

(b) the amount or rate percent of the commission paid or agreed to be paid, on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the Commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;

(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid; and

(d) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.

(B) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its shares or

debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of:

(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company; or

(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

(C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.

(D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.

(E) The Commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stocks of the Company.

CALLS

32. The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/ debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debentureholders in respect of all moneys unpaid on the shares/debentures held by them respectively and each member/debentureholders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. — Directors may make calls

33. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by members/debentureholders on a subsequent date to be specified by the Directors. — Calls to date from resolution

34. Fifteen days notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debentureholders revoke the same. — Notice of call

Directors may extend time	35.	The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/debentureholders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/ debentureholder shall be entitled to such extension, save as a matter of grace and favour.
Sums deemed to be calls	36.	Any sum, which by the terms of issue of a share/debenture becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share/debenture or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
Installments on shares to be duly paid	37.	If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.
Calls on Shares of the same class to be made on uniform basis	38.	Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
Liability of joint-holders of Shares	39.	The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.
When interest on call or installment payable	40.	If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Partial payment not to preclude forfeiture	41.	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
Proof on trial of suit for money due on shares	42.	On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for

the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

43. (a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him, beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advances has been made, the Company may pay interest at such rate, to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced. — Payment in anticipation of calls may carry interest

(b) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

44. The provisions of these articles shall mutatis mutandis, apply to the calls on debentures of the Company. — Provisions to apply to Debentures

LIEN

45. The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or Debentureholder (whether held singly or jointly with others) in respect of all monies, whether presently payable or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures. The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article. Notwithstanding anything contained hereinabove, Company shall have lien on fully paid shares or debentures and such lien shall extend only in respect of payment of excess — Company's lien on Shares/Debentures

dividend/interest or any sums owing to the Company by a member/debentureholder.

As to enforcing lien by sale

46. For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such share and/or debentures and may authorise one of their member or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debentureholder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debentureholder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

47. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.

Outsiders lien not to affect Company's lien

(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

FORFEITURE

If call or installment not paid notice must be given

48. (a) If any member or debentureholder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debenture either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debentureholder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment

Form of notice

(b) The notice shall name a day not being less than 14 (fourteen) days from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with

interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.

49. If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

In default of payment Shares or Debentures to be forfeited

50. When any share/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member or debentureholder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or debentureholders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Entry of forfeiture in Register of Members / Debentureholders

51. Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

Forfeited Share / Debenture to be property of Company and may be sold

52. The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.

Power to annul forfeiture

53. Any member or debentureholder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture togetherwith interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Shareholders or debentureholders still liable to pay money owing at time of forfeiture and interest

54. The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.

Effect of forfeiture

Certificate of forfeiture

55. A certificate in writing under the hand of one Director and counter signed by the Secretary or any other Officer authorised by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made and that the forfeiture of the share or debenture was made by a resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

Validity of sales under Articles 46 and 51

56. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of Members or Register of Debentureholders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of Members or debentureholders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of Share/Debenture Certificate in respect of forfeited Shares/Debentures

57. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debentureholder) stand cancelled and become null and void and be of no effect, and the directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.

Title of purchaser and allottee of forfeited Shares or Debentures

58. The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to forfeiture, sale, re-allotment or other disposal of the share or debenture.

Surrender of Shares or Debentures

59. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debentureholder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of transfers

60. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof. Form of transfer

62. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof. Instrument of transfer to be executed by transferor and transferee

63. (a) Subject to the provisions of Section 111 of the Act, the Directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except the Company has a lien on the shares. Directors may refuse to register transfer

(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in, or debentures of the Company.

64. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee. Transfer of Shares

(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

(c) It shall not be lawful for the Company to register a transfer of shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has

been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.

(e) The Company shall not accept applications for transfer of less than 10 (Ten) Equity shares and 5 (Five) debentures (all relating to the same series) less than in market lots of the Company provided however, that this condition shall not apply to:

(i) Transfer of equity shares/debentures made in pursuance of any statutory provision or an order of a competent court of law.

(ii) the transfer of the entire equity shares/debentures by an existing shareholder/debentureholder of the Company holding under one folio less than 10 (ten) Equity shares or 5 (Five) debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.

(iii) the transfer of not less than 10 (Ten) equity shares or 5 (Five) debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (Ten) equity shares/5 (Five) debentures.

(iv) the transfer of less than 10 (Ten) equity shares or 5 (Five) debentures (all relating to the same series) to the existing shareholder/debentureholder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).

(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

[5](g) Nothing contiained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.

[5](h) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

65. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine. Custody of instrument of transfer

66. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer Books, the Register of Members or Register of debentureholders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year. Transfer Books and Register of Members when closed

67. Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind. Transfer to minors, etc.

68. The executors or administrators of a deceased member (not being one or two or more joint-holders) or the holder of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member. Title to Shares of deceased holder

69. Where the Company has knowledge through any of its principal officers of the death of any member or debentureholder in the Company, the Company shall within three months of receipt of intimation of knowledge of the death, furnish to the Controller of Estate Duty who is exercising the function of the Incomc-tax Officer under the Income-tax Act, 1961 in relation to the Company such particulars as may be prescribed in respect of the interest of the deceased in the Company and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased unless the Compliance of Estate Duty Act, 1953

transferee has acquired such shares or debentures for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares or debentures has been paid or will be paid or that none is due as the case may be.

Registration of persons entitled to Share otherwise than by transfer

70. (a) Subject to the provisions of Articles 68 and 78 (d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Claimant to be entitled to same advantage

71. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Persons entitled may receive dividend without being registered as member

72. (a) A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.

(b) This Article shall not prejudice the provisions of Articles 45 and 56.

person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration. nominee

74. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. Director may require evidence of transmission

75. A fee not exceeding 50 (fifty) paise per share may be charged in respect of the transfer or transmission to the same party, of any number of shares of any class or denomination, subject to the such maximum fee on any one transfer or on transmissions as may from time to time be fixed by the Directors. Such maximum fee may be single fee payable on any one transfer or transmission of any number of shares of one class or denomination or may be on grades scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion determine. Fee on transfer or transmission

The Directors shall have discretion (which they may exercise from time to time and for any period of time) not to charge any fee in respect of the transfer or transmission of shares, and the Directors shall also comply with rules, regulations of Stock Exchange or the statute concerned..

76. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit. The Company not liable for disregard of a notice prohibiting registration of transfer

77. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company. Provisions to apply to Debentures

JOINT-HOLDERS

Joint-holders

78. Where two or more persons are registered as the holders of any share/debenture, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

No transfer to more than four persons as Joint-holders

(a) No transfer of any share/debenture shall be made to more than four persons as the holders of any share/debenture.

Transfer by Joint-holders

(b) In the case of a transfer of shares/debentures held by joint-holders, the transfer will be effective only if it is made by all the joint-holders.

Liability of Joint-holders

(c) The Joint-holders of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share/debenture.

Death of one or more Joint-holders

(d) On the death of any one or more of such joint-holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares/debentures held by him jointly with any other person.

Receipt of one sufficient

(e) Any one of such joint-holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.

Delivery of certificate and giving of notices to first named holder

(f) Only the person whose name stands first in the Register of Members/Debentureholders as one of the joint-holders of any share/debenture shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof) and any document served on or sent to such person shall be deemed service on all the joint-holders.

Vote of Joint-holders

(g) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting provided always that joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or by proxy although the name of such joint-holder present by any Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint-holders.

BORROWING POWERS

79. The Board of Directors shall not, except with the consent of the Company in general meeting and subject to Article 172 of the Articles of Association of the Company: — Restriction on powers of the Board

(a) sell, lease or otherwise dispose of the whole or substantially whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;

(b) Remit, or give time for the repayment of any debt due by a Director;

(c) Invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition after the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) Borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose;

(e) Contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater;

Explanation: -Every resolution passed by the Company in general meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount upto which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).

80. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the — Condition on which money may be borrowed

Company (both present and future) including its uncalled capital for the time being.

Bonds, Debentures etc. to be subject to control of Directors

81. Any bonds, debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stocks or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

Securities may be assignable free from equities

82. Debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

83. Any bonds, debentures, debenture-stocks or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following:-

Debentures with voting rights not to be issued

(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business;

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act;

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act;

(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act;

(e) The term 'charge' shall include mortgage in these Articles;

(f) A contract with the Company to take up and pay for any debenture of the Company may be enforced by a decree for specific performance;

Limitation of time for issue of certificate

(g) The Company shall, within three months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture-stocks otherwise provide;

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register:

(h) (i) A copy of any ... debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment: — copies of and inspect Trust Deed

(1) in the case of printed Trust Deed of the sum of Rupees one; and

(2) in the case of a Trust Deed which has not been printed of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debentureholder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

84. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. — Mortgage of uncalled capital

85. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. — Indemnity may be given

86. (a) The provisions of the Act relating to registration of charges shall be complied with. — Registration of Charges

(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.

(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by Section 125 of the Act.

(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

subject to charge, the provisions of Section 127 of the Act shall be complied with.

(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.

(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.

(h) The provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.

(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.

(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.

(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Manager as therein provided.

(l) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(m) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the Company giving in each case:

   (i) a short description of the property charged;

   (ii) the amount of the charge; and

   (iii) except in the case of securities to bearer, the names of persons entitled to the charge.

(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.

Trust not recognised

87. No notice of any trust, express or implied or constructive, shall be entered on the Register of Debentureholders.

SHARE WARRANTS

Power to issue share warrants

88. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid-upon application in

and authenticated by such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

89. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting, and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant. — Deposit of share warrants

(b) Not more than one person shall be recognised as depositor of the Share Warrant.

(c) The Company shall on two days' written notice return the deposited share warrant to the depositor.

90. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. — Privileges and disabilities of the holders of share warrant

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant and he shall be a member of the Company.

91. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. — Issue of new share warrant or coupon

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

92. The Company in general meeting may convert any paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination. — Shares may be converted into stock

93. The holders of stock shall, according to the amount of stock, held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company and — Right of stock holders

other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.

GENERAL MEETINGS

Annual General Meeting

94. Subject to the provisions contained in Section 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

Annual Summary

The Company may in any one annual general meeting fix the time for its subsequent annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the directors' report, the audited statement of accounts and auditors' report (if any, not already incorporated in the audited statements of accounts). The proxy registered with the Company and Register of Directors' Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Time and Place of Annual General Meeting

95. Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.

Sections 171 to 186 of the Act shall apply to meetings

96. Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed, shall apply with respect to meetings of any class of members or debentureholders of the Company in like manner as they apply with respect to general meetings of the Company.

Powers of Directors to call Extraordinary General Meeting

97. The Directors may call an extraordinary general meeting of the Company whenever they think fit.

98. (a) The Board of Directors ... requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an extraordinary general meeting of the Company.

Extraordinary General Meeting on requisition

(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.

(c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at that date carried the right of voting in regard to that matter.

(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

(f) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called:

(i) by the requisitionists themselves;

(ii) by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.

Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(g) A meeting, called under clause (f) above, by the requisitionists or any of them:

(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but

(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.

Explanation: Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of

the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.

(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of notice for calling meeting

99. (a) A general meeting of the Company may be called by giving not less than twenty one day's notice in writing.

(b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto:

(i) in the case of an annual general meeting by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than 95 (Ninety Five) percent of such part of the paid-up capital of the Company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents and manner of service of notice and persons to whom it is to be served

100. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(b) Notice of every meeting of the Company shall be given:

(i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;

(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased, or assignees of the insolvent, or by any like description, at the address if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;

(iii) to the Auditor or Auditors ... Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company; and

(iv) to all the Directors of the Company.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

101. (a) For the purpose of this article: Explanatory Statement to be annexed to notice

(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to

(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors,

(b) the declaration of a dividend,

(c) the appointment of directors in the place of those retiring, and

(d) the appointment of and the fixing of the remuneration of the auditors, and

(ii) in the case of any other meetings, all business shall be deemed special.

(b) Where any items of business to be transacted at the meeting are deemed to be special, as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every director, and the manager, if any;

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other company, the extent of shareholding interest in that other company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act.

(c) Where any item of business consists of according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

102. (a) Five members personally present shall be the quorum for a meeting of the Company. Quorum for meeting

If quorum not present meeting to be dissolved or adjourned

(b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

(ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.

Adjourned meeting to transact business

(c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

Presence of quorum

103. (a) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

Business confined to election of Chairman whilst chair vacant

(b) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

Chairman of general meeting

(c) (i) The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the chair, the members present shall choose one of themselves to be the Chairman.

(ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice-Chairman of the Board or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their number to be the Chairman of the meeting.

Chairman with consent may adjourn the meeting

(d) The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.

Business at adjourned meeting

(e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Notice of adjourned meeting

(f) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.

In what cases poll taken with or without adjournment

(g) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other

than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

104. (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in case of joint-holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting; Proxies

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

(b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member;

(c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty-eight) hours before the meeting in order that the appointment may be effective thereat;

(d) The instrument appointing a proxy shall:

(i) be in writing; and

(ii) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate be under its seal or be signed by an officer or an attorney duly authorised by it;

(e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form or in such other form as the Directors may approve from time to time; Form of Proxy

(f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles;

(g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

VOTE OF MEMBERS

Restriction on exercise of voting rights of members who have not paid calls etc.	105.	(a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
		(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.
Restriction on exercise of voting rights in other cases to be void	106.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 105.
Equal rights of shareholders	107.	Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
Voting to be by show of hands in first instance	108.	At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.
Entitlement to vote on show of hands and on poll	109.	(a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.
No voting by Proxy on show of hands		(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.
How members non composmentis and minor may vote		(c) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
Votes in respect of shares of deceased or insolvent members etc		(d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote, he shall satisfy the Directors of his right to such shares unless the

at such meeting in respect thereof.

(e) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company. — Custody of instrument

(f) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting. — Validity of votes given by proxy notwithstanding death of members etc

(g) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose or such meeting or poll whatsoever. — Time for objections for vote

(h) The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. — Chairman of any meeting to be the judge of any vote

110. A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution. — Chairman's declaration of result of voting by show of hands to be conclusive

[6]111. (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares, in the Company which confer a power to vote on the resolution, not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid-up. — Demand for poll

(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

112. (a) A poll demanded on a question of adjournment shall be taken forthwith. — Time of taking poll

(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is

provided for in Section 179 of the Act, shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Right of a member to use his votes differently

113. On a poll taken at a meeting of the Company a member or other person entitled to vote for him, as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.

Scrutineers at poll

114. (a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him.

(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(c) Of the two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

115. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

116. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

117. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Representation of the President of India or Governors

118. (a) The President of India or the Governor of a state if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.

(b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.

(c) The Company shall observe the provisions of Section 187 D of the Act, in regard to the Public Trustee.

119. The Company shall comply with provisions of Section 188 of the Act, relating to circulation of members' resolutions. — *Circulation of members' resolution*

120. The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice. — *Resolution requiring special notice*

121. The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date. — *Resolution passed at adjourned meeting*

122. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements. — *Registration of resolutions and agreements*

123. (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. — *Minutes of proceedings of general meeting and of Board and other meetings*

(b) Each page of every such book shall be initialled or signed and the last page of the record or proceedings of each meeting in such books shall be dated and signed:

(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meeting.

(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

(i) the names of the Directors present at the meetings; and

(ii) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

(g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

(i) is, or could reasonably be regarded, as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be conclusive evidence

(h) The minutes of meetings kept in accordance with the provision of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Presumption to be drawn where minutes duly drawn and signed

124. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be evidence of the proceedings recorded therein.

Inspection of minutes Book of general meeting

125. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall:-

(i) be kept at the registered office of the Company, and

(ii) be open, during the business hours to the inspection of any member without charge, subject to such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in Clause (a) above, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.

Publication of reports of proceeding of general meetings

126. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

MANAGERIAL PERSONNEL

Managerial personnel

127. The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment

of different categories of managerial personnel therein referred to.

BOARD OF DIRECTORS

[7]128. Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (Three) and shall not be more than 14 (Fourteen). Board of Directors

Subject to the provisions of Section 255, Shri Mukesh D. Ambani and Shri Anil D. Ambani shall be permanent Directors and such permanent Director and any Nominee Director appointed under Article 131 shall not be liable to retire by rotation. The right to appoint non rotational Directors shall be limited to The Industrial Credit And Investment Corporation of India Limited, The Industrial Finance Corporation of India Limited, a State Financial Corporation or any Financial Institution held or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by the Central Government or a State Government or themselves.

129. (a) Subject to the provisions of the Act and within the overall limit prescribed under the Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a Wholetime Director of the Company for such period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions: Appointment of Senior Executives as Wholetime Directors

(i) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His reappointment as a Director shall not constitute a break in his appointment as Wholetime Director.

(ii) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.

(iii) He shall cease to be a Director of the Company on the happening of any event specified in Section 283 and 314 (2C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever, he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.

(iv) Subject to what is stated hereinabove he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and/or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and/or the Board may, from time to time determine.

(v) His remuneration shall be fixed by the Board and shall be subject to the approval of the Company in general meeting and of the Central Government as may be required under the provisions of the Act.

(b) Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such Wholetime Directors.

Debenture Director

130. Any Trust Deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of debentures or debenture-stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the company. The Trust Deed may contain such ancillary provisions as may be arranged between the company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Nominee Director

131. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Industrial Finance Corporation of India (IFCI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Financing Company or Body is hereinafter in this Article referred to as "the corporation") continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or by direct subscription or so long as any liability of the company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee director/s shall not be required to hold any share qualification in the Company. Also at the option of the corporation such Nominee Director/s shall not be liable

to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid of or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such nominee Director/s in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a wholetime Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be

entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders.

Special Director

132. (a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time, any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangements or at any time thereafter.

(b) The Collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

(c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make the appointment.

Limit on number of non-retiring Directors

133. Subject to the provisions of Section 255 of the Act; the number of Directors appointed under Articles 130, 131 and 132 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

Appointment of Alternate Director

134. (a) The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

(b) An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.

(c) If the term of office of the Original Director is determined before he returns to the State aforesaid any provision for the automatic reappointment of retiring directors in default

of another appointment shall apply to the original and not to the alternate director.

135. Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for re-appointment. Appointment of Additional Directors

136. Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election. Appointment of Director to fill the casual vacancy

137. At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Director of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring director by virtue of these articles and the Act in default of another appointment shall apply. Individual resolution for Directors' appointment

138. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company. Qualification of Director

139. Remuneration of Directors

(a) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(b) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either:

(i) by way of monthly, quarterly or annual payment with the approval of the Central government; or

(ii) by way of commission if the Company by a special resolution has authorised such payment.

[8](c) The fee payable to Directors (other than Managing or Wholetime Director, if any) for attending each meeting of the Board or Committee thereof shall be such sum as may be prescribed by the Act or the Central Government from time to time.

Travelling and other expenses	140.	The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/ or actual as the Board may consider fair compensation for travelling, board and lodging and incidental and/or such actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meetings to and from the place at which the meetings of the Board or Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.
Remuneration for Extra Services	141.	If any Director, being willing shall be called upon to perform extra services or to take any special extensions for any of the purposes of the Company and in that event the Company may, subject to the provisions of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.
Increase in remuneration of Directors to require Government sanction	142.	(a) Any provision relating to the remuneration of any Director including a Managing or Joint Managing or whole time Director or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision is contained in the Company's Memorandum or Articles, or in an agreement entered into by it, or any resolution, passed by the Company in general meeting or by the Board of Directors, shall not have any effect unless approved by the Central Government and the amendment shall become void if, and in so far as, it is disapproved by the Government.
Increase in remuneration of Managing Director on re-appointment or appointment		(b) If the terms of any re-appointment or appointment of a Managing or Joint Managing or whole-time Director, purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration which the Managing or Joint Managing or whole time Director or the previous Managing or Joint Managing or whole-time Director, as the case may be was receiving immediately before such re-appointment or appointment shall not have any effect unless approved by the Central Government, and shall become void if, and in so far as, it is disapproved by the Government.
Directors not to act when number falls below minimum	143.	When the number of Directors in Office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.
Eligibility	144.	A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.

145. (a) The Office of a Director shall become vacant if - Directors vacating office

(i) he is found to be of unsound mind by a Court of competent jurisdiction;

(ii) he applies to be adjudicated an insolvent;

(iii) he is adjudged an insolvent;

(iv) he is convicted by a Court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

(v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;

(vi) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;

(vii) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act;

(viii) he acts in contravention of Section 299 of the Act;

(ix) he becomes disqualified by an order of court under Section 203 of the Act;

(x) he is removed in pursuance of Section 284 of the Act;

(xi) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

(xii) he resigns his office by notice in writing given to the Company.

(b) Notwithstanding anything in sub-clause (iii), (iv) and (v) of clause (a) above, the disqualifications referred to in these sub-clauses shall not take effect:

(i) for thirty days from the date of the adjudication, sentence or order;

(ii) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or

(iii) where within the seven days aforesaid, any further appeal, or petition is preferred in respect of the

adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

Removal of Directors

146. (a) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any director other than ex-officio directors or special directors or debenture directors or a nominee director or a director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.

(b) Special notice as provided by Section 190 of the Act shall be required for any resolution to remove a Director under this Article or to appoint some other persons in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it do so,

(i) in the notice of the resolution given to members of the Company state the fact of the representations having been made; and

(ii) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company), and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.

(e) A vacancy created by the removal of a Director under these Articles may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under Clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 262 of the Act, and all the provisions of that Section shall apply accordingly:

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(g) Nothing contained in this Article shall be taken:

(i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as director; or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

147. (a) Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director, or other officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Jt. Managing Director, Executive Director other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Director, officer or employee holding that Office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable. Directors may contract with Company

(b) In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote;

Provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.

(c) A General notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section.

Directors may be directors of companies promoted by the Company

148. A Director, Managing Director, officer or employee of the Company may be, or become a director, of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such director shall be accountable for any benefits received as director or member of such company except to the extent and under the circumstances as may be provided in the Act.

Duty of Directors etc to make disclosure

149. (a) Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company, who is appointed to or relinquishes the office of Director, Managing Director, Manager or Secretary of any other body corporate shall within twenty days of his appointment or relinquishment of such office, as the case may be, disclose to the Company aforesaid the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

(b) Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act and every other person referred to in sub-section (11) of Section 307 of the Act, shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section and Section 308 of the Act.

Directors etc. not to hold office or place of profit

150. The provisions of Section 314 of the Act shall be complied with when applicable in regard to holding of office or place of profit under the Company or under any subsidiary of the Company by any person mentioned in the said section. The words office or place of profit shall have the meaning assigned to them by Section 314 of the Act.

Loans to Directors

151. The Company shall observe the restrictions imposed on the Company in regard to granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any of the Act.

Appointment of Sole Selling Agents

152. (a) The appointment, re-appointment and extension of the term of a Sole Selling Agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any rules or Notifications issued by competent authority in accordance with that section and the Directors and/or the Company in general meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such Rules or Notifications, if any, as may be applicable.

(b) The payment of any compensation to a Sole Selling Agent shall be subject to the provisions under Section 294A of the Act.

Board resolution at a meeting necessary for certain contract

153. (a) Except with the consent of the Board of Directors of the Company and with the previous approval of the Central Government a Director of the Company or his relative, a

firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company:

(i) for the sale, purchase or supply of any goods materials or services or

(ii) for underwriting the subscription of any shares in, or debentures of the Company.

(b) Nothing contained in the foregoing sub-clause (a) shall affect:

(i) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase, or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business:

Provided that such contract or contracts do not relate to goods and materials the value of which, or service cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

(c) Notwithstanding anything contained in the foregoing sub-clause (a) and (b) a Director, relative, firm, partner or private company as aforesaid, may in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods, materials or services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within, three months of the date on which the contract was entered into.

(d) Every consent of the Board required under this clause shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under sub-clause (a) above shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(e) If consent is not accorded to any contract under this clause, anything done in pursuance of the contract shall be voidable at the option of the Board.

(f) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(g) The Company shall also comply with such other provisions of Section 297 of the Act, as may be applicable.

ROTATION OF DIRECTORS

Rotation of Directors

154. Not less than two thirds of the total number of Directors shall:

(a) Be persons whose period of office is liable to determination by retirement of Directors by rotation; and

(b) Save as otherwise expressly provided in the Act, be appointed by the Company in general meeting;

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting;

Ascertainment of Directors retiring by rotation and filling up vacancies

155. (a) At every annual general meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.

(b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

(c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-

(1) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(3) he is not qualified or is disqualified for appointment; and

(4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or

(e) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Explanation: In this Article and Article 156 the expression 'Retiring Director' means Director retiring by rotation.

[9]156. (a) A person who is not a retiring Director shall, in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member or members to propose him as a candidate for that office, as the case may be alongwith a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director. — Right of person other than retiring Directors to stand for directorship

(b) The Company shall inform its members of the candidature of a person for the office of director or the intention of member(s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.

157. Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable. — Consent of candidates for Directorship to be filed with the Registrar

PROCEEDINGS OF DIRECTORS

158. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum. — Meeting of Directors

159. Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board. — When meeting to be convened

160. Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India. — Directors entitled to notice

161. Question arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, — Questions at Board meeting how decided

the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

Who to preside meeting of the Board

162. (a) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. The Directors may also appoint a Vice-Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office.

(b) All the meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice-Chairman, if present, shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

Quorum at Board Meeting

163. (a) The quorum at a meeting of the Directors shall be as prescribed by Section 287 of the Act.

Quorum competent to exercise power

(b) A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles of the Company for the time being vested in or exercisable by the Directors generally.

Procedure in case of want of quorum

(c) If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a Public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

Directors may appoint committee

164. Subject to the provisions of Section 292 and other provisions of the Act and Article 166 the Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purpose of their appointments but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

Resolution by Circular

165. Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of

with the provisions of these articles.

Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.

166. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by the Articles. Limit of Directors numbers

167. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director. Acts of Board or Committee valid notwithstanding defect of appointment

168. The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with the Articles and Section 193 of the Act. Minutes of proceedings of the Board and the Committees to be valid

169. Minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purposes whatsoever prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place. Board minutes to be evidence

170. The Directors shall cause to be kept at the registered office of the Company:- Register of Directors and Managing Directors etc.

(a) (i) a Register of the Directors, Managing Director, Manager and Secretary of the Company containing the particulars required by Section 303 of the Act;

(ii) a Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by Section 301 of the Act; and

(iii) a Register of Directors' Shareholding containing the particulars required by Section 307 of the Act. They shall also cause to be kept other registers and indexes as required by the Act.

(b) The Company shall comply with the provisions of Section 301, 303 and 307 and other sections of the Act with regard

to the inspection of registers and furnishing copies so far as the same be applicable to the Company.

POWER OF DIRECTORS

Certain powers to be exercised by the Board only at meeting

171. (a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.

(i) The power to make calls on shareholders in respect of money unpaid on their shares;

(ii) The power to issue debenture;

(iii) The power to borrow moneys otherwise than on debentures;

(iv) The power to invest the funds of the Company; and

(v) The power to make loans.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal Officer of the branch office, the powers specified in sub-clause (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribe.

(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.

(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

(d) Every resolution delegating the powers referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount upto which loans may be made for each such purpose in individual cases.

(e) Nothing in this article contained shall be deemed to effect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clause (i), (ii), (iii), (iv) and (v) of clause (a) above.

Restriction on powers of Board

172. (a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting:-

(i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one

undertaking or the whole or substantially the whole of any such undertaking;

(ii) remit, or give time for the repayment of any debt, due by a Director;

(iii) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(iv) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or

(v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years, immediately preceding, whichever is greater.

(b) Nothing contained in sub-clause (i) of clause (a) above shall affect:

(i) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution; or

(ii) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

(c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.

(d) No debt incurred by the Company in excess of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

Prohibition regarding making of political contributions

(e) Due regard and compliance shall be observed in regard to matter dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293 A of the Act.

General powers of the Company vested in Directors

173. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these articles and to any regulations, not being inconsistent with the Memorandum of Association and these articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

174. Without prejudice to the general powers conferred by Article 173 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers:-

To pay registration expenses

(i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;

To pay interest on capital

(ii) To pay and charge to the capital account of the Company any interest law-fully payable thereon under the provisions of Sections 76 and 208 of the Act;

To acquire property

(iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;

To purchase lands, buildings etc

(iv) Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

(v) To erect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company; — To construct buildings

(vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit; — To mortgage, charge property

(vii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged; — To pay for property etc.

(viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies or assurance effected in pursuance of this power; — To insure

(ix) Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit; — To open accounts

(x) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit; — To secure contracts

(xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit; — To attach to shares such conditions

(xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act; — To accept surrender of shares

To appoint trustees	(xiii)	To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
To bring and defend actions	(xiv)	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
To refer to arbitration	(xv)	To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
To act on insolvency matters	(xvi)	To act on behalf of the Company in all matters relating to bankrupts and insolvents;
To give receipts	(xvii)	To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act;
To authorise acceptances	(xviii)	To determine from time to time as to who shall be entitled to sign bills, notices, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;
To invest monies	(xix)	Subject to the provisions of Sections 292, 293, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
To provide for personal liabilities	(xx)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
To give to Directors etc. an interest in business	(xxi)	Subject to such sanction as may be necessary under the Act or the Articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company;

(xxii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trust and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

To provide for welfare of employees

(xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other useful institutions, object or purposes for any exhibition;

To subscribe to charitable and other funds

(xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or super-annuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such Subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidise and subscribe to any institutions, associations, clubs or funds collected to be for the benefit or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

To maintain pension funds

(xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

To allocate expenditure

(xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject

To create Reserve Fund

to the restrictions imposed by Section 292 and 293 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To appoint Managers etc.

(xxvii) To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

To authorise by power of attorney

(xxviii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of

the powers, authorities, and discretions for the time being vested in them.

(xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the Powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper. To authorise, delegate

(xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company. To negotiate

MANAGING DIRECTORS

175. [10] (a) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Wholetime Directors and/or Special Directors like Technical Director, Finance Director etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s), Wholetime Director(s), Technical Director(s), Finance Director(s) and Special Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. Unless otherwise determined by the Company in General Meeting, the number of Managing Directors shall not be more than 2 (two). The remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act. Power to appoint Managing or Wholetime Directors

[10] (b) The Directors, whenever they appoint more than one Managing Director, may designate one or more of them as Managing Directors, Joint Managing Directors or Deputy Managing Directors, as the case may be. Appointment of more than one Managing Director

(c) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government. Appointment and payment of remuneration to Managing or Wholetime Director

THE SECRETARY

Secretary

176. Subject to the provisions of Section 383A of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called 'the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

SEAL

The seal its custody and use

177. [11](a) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of atleast one Director or the Manager or the Secretary or such other person as the Board/Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence;

Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificate) Rules, 1960 or any statutory modification thereof for the time being in force.

Seal abroad

[12](b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such power shall accordingly be vested in the Directors or by or under the authority of the Directors granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

INTEREST OUT OF CAPITAL

Interest may be paid out of capital

178. Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, of the provisions of plant.

179. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid-up or credited as paid-up on the shares held by them respectively. — Division of profits

180. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker. — Dividend payable to registered holder

181. Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act. — Time for payment of dividend

182. Where the Capital is paid-up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits. — Capital paid up in advance and interest not to earn dividend

183. (a) The Company shall pay dividends in proportion to the amount paid-up or credited as paid-up on each share, when a larger amount is paid-up or credited as paid-up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act. — Dividends in proportion to amount paid up

(b) Provided always that any Capital paid-up on a share during the period in respect of which a dividend is declared, shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

184. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment. — Company in General Meeting may declare dividends

185. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend. — Power of Directors to limit dividends

186. No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Sub-Section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that: — Dividends only to be paid out of profits

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

Directors' declaration as to net profits conclusive	187.	The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
Interim dividends	188.	The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
Retention of dividends until completion of transfer under Article	189.	The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these articles entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
No member to receive dividend whilst indebted to the Company and Company's right to re-imbursement therefrom	190.	Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.
Transferred Shares must be registered	191.	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
Dividend how remitted	192.	Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint-holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be

liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

193. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of Reliance Textiles Industries Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. — Unpaid Dividend or Dividend Warrant posted

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due. — Transfer to General Revenue Account of the Central Government

(c) No unpaid dividend shall bear interest as against the Company. — No interest on dividends

194. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls. — Dividend and call together

195. No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company. — Dividend to be payable in cash

196. Subject to the provisions of Section 205 of the Act and if and in so far as may not be prohibited by that section or any of the provisions of the Act, any general meeting sanctioning or declaring a dividend in terms of these articles may direct payment of such dividend, wholly or in part, by the distribution of partly or fully paid-up shares, and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates or that fractions of less value than Rupee one may be disregarded, in order to adjust the rights of the parties and may vest any such shares, in trustees upon such trusts for the person entitled to the dividend as may seem expedient to the — Special provision in reference to dividend

Directors, where required the Directors shall comply with Section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the dividend and such appointment shall be effective.

CAPITALISATION

Capitalisation

197. (a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/ or the Capital Redemption Reserve Account) may be capitalised:

(i) by the issue and distribution as fully paid shares, debentures, debenture-stock, bonds or obligations of the Company; or

(ii) by crediting the shares of the Company which may have been issued and are not fully paid, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account may be applied on;

(1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(2) in writing off the preliminary expenses of the Company;

(3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

(b) Such issue and distribution under Sub-clause (a) (i) above and such payment to the credit of unpaid share capital under sub-clause (a) (ii) above shall be made to among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (i) or payment under sub-clause (a) (ii) above

shall be made on the footing that such members become entitled thereto as capital.

(c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenturestock, bonds or other obligations of the Company so distributed under sub-clause (a) (i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a) (ii) above provided that no such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture-stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

(e) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

(f) When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

198. The provisions of Section 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company. Accounts

Books of Accounts to be kept

199. (a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to:

(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(ii) all sales and purchases of goods by the Company; and

(ii) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarised returns made upto date at intervals of not more than three months, shall be sent by the branch office of the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.

Books to give fair and true view of the Company's affairs

200. (a) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.

(b) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.

(c) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

Inspection by members

201. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.

Statement of accounts to be furnished to general meeting

202. The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

203. (a) Subject to the provisions of ... Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate. Profit & Loss Account

(b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.

(c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

204. (a) (i) Save as provided by item (ii) of this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any. Authentication of Balance Sheet and Profit & Loss Account

(ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non compliance with the provisions of the above item (i).

(b) The Balance Sheet, and the Profit and Loss Account, shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this article and before they are submitted to the auditors for their report thereon.

205. The Profit & Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto. Profit & Loss Account to be Annexed and Auditors' Report to be attached to the Balance Sheet

206. (a) Every Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the Board's Report to be attached to Balance Sheet

end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

(b) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the Company has an interest.

(c) The Board shall also give the fullest information and explanations in its Report or in cases falling under the Proviso to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

(d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clause (a) and (b) of Article 204.

(e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clause (a) and (c) of this Article are complied with.

(f) Every Balance Sheet and Profit and Loss Account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

Right of Members to copies of Balance Sheet and Auditors' Report

[13]207. A copy of every Balance Sheet (including the Profit & Loss Account, the Auditors' Report and every other document required by Law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before the date of the meeting.

A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit, will be sent to the every member of the Company, not less than twenty one days before the date of the meeting as laid down in Section 219 of the Act and all the rest of the provisions of this section shall apply in respect of the matters referred to in this Article.

Three Copies of Balance Sheet etc., to be filed with Registrar

208. After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with

three copies of all documents, which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.

AUDIT

209. Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned. Accounts to be audited

210. (a) The Company at the annual general meeting each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting, and shall, within seven days of the appointment, give intimation thereof to every auditor so appointed. Appointment and qualification of auditors

(b) At any annual general meeting, a retiring Auditor, by whatever authority appointed, shall be reappointed unless:

(i) he is not qualified for reappointment;

(ii) he has given the Company notice in writing of his unwillingness to be reappointed;

(iii) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed; or

(iv) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.

(c) Where at an annual general meeting no auditors are appointed or re-appointed the Central Government may appoint a person to fill the vacancy.

(d) The Company shall, within seven days of the Central Government's power under sub-clause (c) becoming exercisable give notice of that fact to the Government.

(e) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy be caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in general meeting.

(f) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of the Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and the provisions of Section 225 of the Act shall apply in the

matter. The provision of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.

(g) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(h) None of the persons mentioned in Section 226 of the Act as being not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

Audit of Branch Office

211. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company, except to the extent to which any exemption may be granted by the Central Government, in that behalf.

Remuneration of Auditors

212. The remuneration of the Auditors shall be fixed by the Company in general meeting in such manner as the Company may in general meeting determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

Auditors to have access to the books of the Company

213. (a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.

(b) All notice of, and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.

(c) The Auditors shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in annual general meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view:

(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year; and

(ii) in the case of the Profit and Loss Account, of the Profit or loss for its financial year.

(d) The Auditors' Report shall also state:

(i) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(ii) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him;

(iii) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's auditor has been forwarded to him as required by clause (c) sub-section (3) of the Section and how he has dealt with the same in preparing the Auditors' Report;

(iv) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.

(e) Where any of the matters referred to in this Article is answered in the negative or with a qualification the Auditors' Report shall state the reasons for the answer.

214. Every account when audited and approved by a general meeting shall be conclusive except as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within the said period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

Accounts when audited and approved to be conclusive except as to errors discovered within three months

DOCUMENTS AND NOTICES

215. A notice may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by Post under a Certificate of posting or by registered post or by leaving it at its registered office.

Service of notice by Member

The term 'Notice' in this and the following clauses shall include summons, notice, requisition, order, judgement or other legal papers and any document.

216. A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

Service of notice on Registrar

217. (a) A notice may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving Notice to him.

Service of notice on members by the Company

(b) Where a notice is sent by post:

By Post

(i) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate

of posting or by registered post with or without acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(ii) Such service shall be deemed to have been effected:

(1) in the case of a Notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted; and

(2) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

By advertisement

(c) A notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of Notices to him.

On Joint-holders

(d) Any notice may be served by the Company on the Joint-holders of a share/debenture by serving it on the joint-holder named first in the Register of Members/debentureholders in respect of the share/debenture.

On personal representative

(e) A notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

Notice by Company and signature thereto

218. Any notice given by the Company shall be signed by a Director, or by such Officer as the Directors may appoint and the signatures thereto may be written, printed or lithographed.

Authentication of documents and proceedings

219. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by the Director, the Managing Director, the Manager, the Secretary or other authorised Officer of the Company and need not be under its Common Seal.

WINDING UP

Distribution of Assets

220. (a) Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid-up, or which ought to have been paid-up, at the

respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid-up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid-up on the shares held by them respectively.

(b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

221. Subject to the provisions of the Act, — Distribution in specie or kind

(a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.

(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(c) In case any shares to be divided as aforesaid involves a liability to call or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable act accordingly.

222. Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act. — Rights of Shareholders in case of sale

SECRECY CLAUSE

Secrecy Clause

223. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these present contained.

(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

INDEMNITY AND RESPONSIBILITY

Directors and others' rights to indemnity

224. (a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, Manager, Secretary and Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other Officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

225. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Wholetime Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

Directors and other officers not responsible for the acts of others

SOCIAL OBJECTIVE

226. The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

GENERAL POWER

227. Wherever in the Companies Act, it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

Foot Notes:

1. Inserted by passing resolution at the Extraordinary General Meeting held on 16th October 1997

2. *The authorised share capital of the Company of Rs. 3,75,00,000/- at the time of incorporation was modified from time to time by passing requisite resolutions at the meeting of the members. The details of the modified authorised capital since incorporation till date is stated herein below:*

(Amount In Rupees)

Date of Modification	Equity Share Capital	Preference Share Capital	Unclassified Capital	Total Authorised Capital
Original Share Capital at the time of incorporation				
	3 00 00 000	75 00 000		3 75 00 000
Subsequent Modifications				
January 18, 1977	8 00 00 000	1 00 00 000	1 00 00 000	10 00 00 000
May 9, 1979	18 00 00 000	1 00 00 000	1 00 00 000	20 00 00 000
April 24, 1981	19 00 00 000	1 00 00 000		20 00 00 000
February 23, 1982	50 00 00 000	10 00 00 000		60 00 00 000
June 20, 1984	75 00 00 000	10 00 00 000		85 00 00 000
June 26, 1986	1 15 00 00 000	10 00 00 000		1 25 00 00 000
June 24, 1987	1 25 00 00 000	10 00 00 000		1 35 00 00 000
August 10, 1987	1 50 00 00 000	5 80 00 000	94 20 00 000	2 50 00 00 000
December 22, 1988	2 00 00 00 000	5 80 00 000	44 20 00 000	2 50 00 00 000
April 7, 1992	3 50 00 00 000	5 80 00 000	44 20 00 000	4 00 00 00 000
August 19, 1994	4 50 00 00 000	3 05 50 00 000	2 44 50 00 000	10 00 00 00 000
October 16, 1997	12 00 00 00 000	10 00 00 00 000		22 00 00 00 000
September 19, 2002	25 00 00 00 000	5 00 00 00 000		30 00 00 00 000
September 11, 2009	50 00 00 00 000	10 00 00 00 000		60 00 00 00 00

3. *Inserted by passing resolution at the Annual General Meeting held on 10th August 1994.*

4. *Inserted by passing resolution at the Extraordinary General Meeting held on 10th August 1987.*

5. *Inserted by passing resolution at the Extraordinary General Meeting held on 16th October, 1997.*

6. *Substituted for the existing Articles by passing resolution at the Annual General Meeting held on 22nd December, 1988.*

7. *Altered by passing Resolutions at General Meetings held on 28th August, 1986, 23rd September, 1993, 19th August, 1994 and 13th June, 2000.*

8. *Substituted for the existing Article by passing resolution at the Annual General Meeting held on 22nd December 1988.*

9. *Altered by passing resolution at the Annual General Meeting held on 22nd December 1988.*

10. *Substituted by passing Resolution at the Annual General Meeting held on 19th August, 1994.*

11. *Substituted by passing Resolution at the Annual General Meeting held on 30th September, 1989 and 19th August, 1994.*

12. *Substituted by passing Resolution at the Annual General Meeting held on 30th September, 1989.*

13. *Substituted by passing resolution at the Annual General Meeting held on 22nd December 1988.*

We, the several persons, whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Sr. No.	Name of Subscribers	Address, description and occupation of the subscribers	Number of equity shares taken by each subscriber	Witness with address, description and occupation
1	2	3	4	5
1	M.D. SHIVNANJAPPA For Mysore State Industrial Investment and Development Corporation Ltd.	36, Cunningham Road Bangalore - 18	500	C.V. SRINIVASA MURTHY, S/O. C.B. VENKOBA RAO Accounts Officer, Mysore State Investment & Development Corporation Limited, 36, Cunningham Road, Bangalore - 560 018
2.	M.D. SHIVNANJAPPA S/o M.P. DEVAPPA	Chairman and Managing Director, M.S.I.D.C. Ltd., 36, Cunningham Road Bangalore - 18	100	
3.	T.R. SATISH CHANDRAN S/o T. RAMAIYA	Commissioner & Secretary to Govt. of Mysore, Commerce and Industries Dept, Bangalore	100	
4.	C.S. SHESHADRI S/o S. SITARAMIAH	Managing Director, Mysore State Financial Corporation, Bangalore.	100	
5.	T. RAMESH U. PAI S/o U. A. PAI	Industrialist, Chitrakala Manipal	100	
6.	DR. RAMDAS M. PAI S/o. DR. T.M.A. PAI	Administrator, Geethanjali, Manipal	100	
7.	B. PUTTARAJ URS S/o. PUTTARAJ URS	Secretary, Industrial Investment and Development Corporation Ltd., 36, Cunninngham Road, Bangalore – 18.	100	
		TOTAL SHARES TAKEN	1,100	

Dated 4th May, 1973

Financial Statements & Notes

Independent Auditors' Report

To the Members of
Reliance Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also inclndes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;

   e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Chaturvedi & Shah	For Deloitte Haskins & Sells	For Rajendra & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
(Registration No. 101720W)	(Registration No. 117366W)	(Registration No. 108355W)
D. Chaturvedi	A. Siddharth	A. R. Shah
Partner	Partner	Partner
Membership No.: 5611	Membership No.: 31467	Membership No.:47166

Mumbai
Date : April 16, 2013

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
   a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
   a) The Company has given loans to two subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 20,316 crore and the year-end balance is ₹ 18,226 crore (including interest free loan of ₹ 13,944 crore).
   b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
   c) The principal amounts are repayable over a period of three to five years, while the interest is payable annually at the discretion of the Company.
   d) In respect of the said loans and interest thereon, there are no overdue amounts.
   e) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
   (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
   a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable. Amounts due and outstanding for a period exceeding 6 months as at March 31, 2013 to be credited to Investor Education and Protection Fund of ₹ 10 crore, which are held in abeyance due to pending legal cases, have not been considered.

b) The disputed statutory dues aggregating ₹ 1,035 crore that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sr. No	Name of the Statute	Nature of the Dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty and Service Tax	17	Various years from 1995-96 to 2010-11	Commissioner of Central Excise (Appeals)
			111	Various years from 1991-92 to 2010-11	Central Excise & Service Tax Appellate Tribunal
			1	Various years from 1982-83 to 1985-86	High Court
2.	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/ VAT and Entry Tax	60	Various years from 1991-92 to 2009-10	Joint/Deputy Commissioner/ Commissioner (Appeals)
			450	Various years from 1993-94 to 2008-09	Sales Tax Appellate Tribunal
			125	Various years from 1994-95 to 2009-10	High Court
			1	2007-08 to 2008-09	Supreme Court
3.	Customs Act, 1962	Custom Duty	15	2007-08	Joint/Deputy Commissioner/ Commissioner (Appeals)
			255	2007-08	Central Excise & Service Tax Appellate Tribunal
	TOTAL		1,035		

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.

15. The Company has given guarantees for loans taken by Others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.

16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. The Company has created securities / charges in respect of secured debentures issued.

20. The Company has not raised any monies by way of public issues during the year.

21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For Chaturvedi & Shah	For Deloitte Haskins & Sells	For Rajendra & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
(Registration No. 101720W)	(Registration No. 117366W)	(Registration No. 108355W)
D. Chaturvedi	A. Siddharth	A. R. Shah
Partner	Partner	Partner
Membership No.: 5611	Membership No.: 31467	Membership No.:47166

Mumbai

Date : April 16, 2013

Reliance Industries Limited
Balance Sheet as at 31st March, 2013

(₹ in crore)

	Note	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	3,229		3,271	
Reserves and Surplus	2	1,76,766		1,62,825	
			1,79,995		1,66,096
Share Application Money Pending Allotment	1		25		-
Non-Current Liabilities					
Long Term Borrowings		43,012		48,034	
Deferred Tax Liability (net)	4	12,193		12,122	
			55,205		60,156
Current Liabilities					
Short Term Borrowings		11,511		10,593	
Trade Payables	6	45,787		40,324	
Other Current Liabilities	7	21,640		13,713	
Short Term Provisions	8	4,348		4,258	
			83,286		68,888
TOTAL			3,18,511		2,95,140
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	82,962		88,001	
Intangible Assets	9	26,786		25,722	
Capital Work-in-Progress	9	13,525		3,695	
Intangible Assets under Development	9	5,591		4,059	
Non-Current Investments	10	24,143		26,979	
Long Term Loans and Advances	11	21,528		14,340	
			1,74,535		1,62,796
Current Assets					
Current Investments	12	28,366		27,029	
Inventories	13	42,729		35,955	
Trade Receivables	14	11,880		18,424	
Cash and Bank Balances	15	49,547		39,598	
Short Term Loans and Advances	16	10,974		11,089	
Other Current Assets	17	480		249	
			1,43,976		1,32,344
TOTAL			3,18,511		2,95,140
Significant Accounting Policies					
Notes on Financial Statements	1 to 36				

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

D. Chaturvedi
Partner

For Deloitte Haskins & Sells
Chartered Accountants

A. Siddharth
Partner

For Rajendra & Co.
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 16, 2013

K. Sethuraman
Company Secretary

For and on behalf of the Board
M.D. Ambani - Chairman & Managing Director
N.R. Meswani, H.R. Meswani, P.M.S. Prasad, P. K. Kapil - Executive Directors
R.H. Ambani, M.L. Bhakta, Y.P. Trivedi, Dr. D.V. Kapur, M.P. Modi, Prof. Ashok Misra, Prof. Dipak C. Jain, Dr. R.A. Mashelkar - Directors

Reliance Industries Limited
Statement of Profit and Loss for the year ended 31st March, 2013

	Note	2012-13	(₹ in crore) 2011-12
INCOME :			
Revenue from Operations	18	3,60,297	3,29,904
Other Income	19	7,998	6,192
Total Revenue		3,68,295	3,36,096
EXPENDITURE :			
Cost of Materials Consumed	20	3,06,127	2,74,814
Purchases of Stock-in-Trade		502	1,441
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	(3,317)	(872)
Employee Benefits Expense	22	3,354	2,862
Finance Costs	23	3,036	2,667
Depreciation and Amortisation Expense	24	9,465	11,394
Other Expenses	25	22,844	18,040
Total Expenses		3,42,011	3,10,346
Profit Before Tax		26,284	25,750
Tax Expenses			
Current Tax		5,244	5,150
Deferred Tax		37	560
Profit for the year		21,003	20,040
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)		64.82	61.21
Significant Accounting Policies			
Notes on Financial Statements	1 to 36		

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

D. Chaturvedi
Partner

For Deloitte Haskins & Sells
Chartered Accountants

A. Siddharth
Partner

For Rajendra & Co.
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 16, 2013

K. Sethuraman
Company Secretary

For and on behalf of the Board
M.D. Ambani - Chairman & Managing Director
N.R. Meswani, H.R. Meswani, P.M.S. Prasad, P. K. Kapil - Executive Directors
R.H. Ambani, M.L. Bhakta, Y.P. Trivedi, Dr. D.V. Kapur, M.P. Modi, Prof. Ashok Misra, Prof. Dipak C. Jain, Dr. R.A. Mashelkar - Directors

A copy of this document has been recorded with the Chamber. Authorized by Bombay Chamber of Commerce and Industry. Regn. No. 3203 | 10 JUN 2013 | MS. BADHANA ... DESAI, ASSISTANT ...

संख्या 82314 No. Date 10 JUN 2013
वाणिज्य मंडल के सहायक सचिव/उप सचिव/सचिव के हस्ताक्षर सत्यापित किए जाते हैं।
The Signature of Asstt. Secretary/Dy. Secretary/Secretary of Chamber of Commerce Attested.

(जार्ज लकरा)
(GEORGE LAKRA)
अनुभाग अधिकारी (ओ.आई.)
Section Officer (O.I.)
सी.पी.वी. प्रभाग/C.P.V. Division
विदेश मंत्रालय, नई दिल्ली
Ministry of External Affairs
New Delhi

ATTESTED

Attested the seal of the Ministry of External Affairs of the Government of India and the signature of the authorized official thereof.

Khual Cin Kam
Second Secretary

No. 609/2013
Date 11/06/2013

Reliance Industries Limited
Cash Flow Statement for the year 2012-13

(₹ in crore)

		2012-13			2011-12
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Statement of Profit and Loss		26,284		25,750
	Adjusted for:				
	Net Prior Year Adjustments	3		1	
	Loss on Sale / Discard of Assets (net)	34		21	
	Depreciation and Amortisation Expense	11,537		13,734	
	Transferred from Revaluation Reserve	(2,072)		(2,340)	
	Effect of Exchange Rate Change	1,039		801	
	Net gain on Sale of Investments	(1,658)		(1,635)	
	Dividend Income	(77)		(10)	
	Interest Income	(6,245)		(4,414)	
	Finance Costs	3,036		2,667	
			5,597		8,825
	Operating Profit before Working Capital Changes		31,881		34,575
	Adjusted for:				
	Trade and Other Receivables	5,594		(516)	
	Inventories	(6,086)		(6,130)	
	Trade and Other Payables	6,274		3,876	
			5,782		(2,770)
	Cash Generated from Operations		37,663		31,805
	Net Prior Year Adjustments		(3)		(1)
	Taxes Paid (net)		(4,665)		(4,830)
	Net Cash from Operating Activities		32,995		26,974
B:	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets		(15,944)		(8,008)
	Sale of Fixed Assets / Transfer of Participating Interest		33		23,245
	Purchase of Investments		(4,79,071)		(3,32,438)
	Sale / Redemption of Investments		4,81,203		3,15,388
	Movement in Loans and Advances		(7,546)		(3,126)
	Interest Income		6,451		1,883
	Dividend Income		77		10
	Net Cash (used in) Investing Activities		(14,797)		(3,046)

ATTESTED

Attested the seal of the Ministry of External Affairs of the Government of India and the signature of the authorized official thereof.

Khual Cin Kam
Second Secretary

No. 610/2012 Date 11/06/2013

(GEORGE LAKRA)
Section Officer (O.T.)
C.P.V. Division
Ministry of External Affairs
New Delhi

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Bombay Chamber of Commerce and Industry
8 JUN 2013

Cash Flow Statement for the year 2012-13 (Contd.)

(₹ in crore)

		2012-13	2011-12
C:	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Share Capital	12	87
	Share Application Money	25	-
	Buyback of Equity Shares	(3,087)	(279)
	Proceeds from Long Term Borrowings	10,262	5,229
	Repayment of Long Term Borrowings	(10,306)	(8,456)
	Short Term Borrowings (net)	1,274	(2,111)
	Dividends Paid (including dividend distribution tax)	(2,924)	(2,772)
	Interest Paid	(3,505)	(3,163)
	Net Cash (used in) Financing Activities	(8,249)	(11,465)
	Net Increase in Cash and Cash Equivalents	9,949	12,463
	Opening Balance of Cash and Cash Equivalents	39,598	27,135
	Add: On Amalgamation (₹ 16,96,263) (Refer Note No. 33)	-	-
	Closing Balance of Cash and Cash Equivalents	49,547	39,598

Note :

Share application money given to Subsidiary / Associate aggregating to ₹ NIL (Previous Year ₹ 935 crore) have been converted into investments in Equity / Preference Shares.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

D. Chaturvedi
Partner

For **Deloitte Haskins & Sells**
Chartered Accountants

A. Siddharth
Partner

For **Rajendra & Co.**
Chartered Accountants

A.R. Shah
Partner

Mumbai
Date : April 16, 2013

K. Sethuraman
Company Secretary

For and on behalf of the Board

M.D. Ambani - Chairman & Managing Director

N.R. Meswani, **H.R. Meswani**, **P.M.S. Prasad**, **P. K. Kapil** } Executive Directors

R.H. Ambani, **M.L. Bhakta**, **Y.P. Trivedi**, **Dr. D.V. Kapur**, **M.P. Modi**, **Prof. Ashok Misra**, **Prof. Dipak C. Jain**, **Dr. R.A. Mashelkar** } Directors



A copy of this document has been recorded with the Chamber

Authorised Signatory
Bombay Chamber of Commerce and Industry
Regn. No. 32073 Date 8 JUN 2013
MS. SA
ASSIST

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

C. Own Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

D. Leased Assets

a) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

b) (i) Finance leases prior to 1st April, 2001: Rentals are expensed with reference to lease terms and other considerations.

(ii) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss account.

c) However, rentals referred to in (a) or (b) (i) above and the interest component referred to in (b) (ii) above pertaining to the period upto the date of commissioning of the assets are capitalised.

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

E. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

F. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life except, on fixed assets pertaining to refining segment and SEZ units, depreciation is provided on Straight Line method (SLM) over their useful life; on fixed bed catalyst with a life of 2 years or more, depreciation is provided over its useful life; on fixed bed catalysts having life of less than 2 years, 100% depreciation is provided in the year of addition; on additions or extensions forming an integral part of existing plants, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets and insurance spares, depreciation is provided as aforesaid over the residual life of the respective plants; premium on leasehold land is amortised over the period of lease; technical know how is amortised over the useful life of the underlying assets and computer software is amortised over a period of 5 years; on intangible assets - development rights, depletion is provided in proportion of oil and gas production achieved vis-a-vis the proved reserves (net of reserves to be

SIGNIFICANT ACCOUNTING POLICIES

retained to cover abandonment costs as per the production sharing contract and the Government of India's share in the reserves) considering the estimated future expenditure on developing the reserves as per technical evaluation; intangible assets - others are amortised over the period of agreement of right to use, provided in case of jetty the aggregate amount amortised to date is not less than the aggregate rebate availed by the Company; on amounts added on revaluation, depreciation is provided as aforesaid over the residual life of the assets as certified by the valuers'; on assets acquired under finance lease from 1st April 2001, depreciation is provided over the lease term.

G. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H. Foreign Currency Transactions

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

(c) Non monetary foreign currency items are carried at cost.

(d) In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

(e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

I. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

J. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis. By-products are valued at net realisable value.

K. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

L. Excise Duty / Service Tax and Sales Tax / Value Added Tax

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services

SIGNIFICANT ACCOUNTING POLICIES

provided as also provision made for goods lying in bonded warehouses. Sales tax / Value added tax paid is charged to Profit and Loss account.

M. Employee Benefits

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

(ii) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

N. Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit and Loss account in the year of exercise of option.

O. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

P. Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Q. Accounting for Oil and Gas Activity

The Company has adopted Full Cost Method of accounting for its Oil and Gas activity and all costs incurred in acquisition, exploration and development are accumulated considering the country as a cost centre. Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly, assets and liabilities as well as income and expenditure are accounted on the basis of available information on line by line basis with similar items in the Company's financial statements, according to the participating interest of the Company.

R. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

S. Premium on Redemption of Bonds / Debentures

Premium on redemption of bonds / debentures, net of tax impact, are adjusted against the Securities Premium Account.

T. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the Year ended 31st March, 2013

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

1. SHARE CAPITAL

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
Authorised Share Capital:					
500,00,00,000 (500,00,00,000)	Equity Shares of ₹ 10 each		5,000		5,000
100,00,00,000 (100,00,00,000)	Preference Shares of ₹ 10 each		1,000		1,000
			6,000		6,000
Issued, Subscribed and Paid up:					
322,86,63,382 (327,10,59,340)	Equity Shares of ₹ 10 each fully paid up	3,229		3,271	
	Less: Calls in arrears - by others [₹ 3,653 (Previous Year ₹ 3,653)]	-		-	
			3,229		3,271
TOTAL			3,229		3,271

1.1 162,67,93,078 (162,67,93,078) Shares were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium and Reserves.

1.2 6,92,52,623 (12,93,93,183) Shares were allotted in the last five years pursuant to the various Schemes of amalgamation without payments being received in cash.

1.3 45,04,27,345 (45,04,27,345) Shares were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, exercise of warrants, against Global Depository Shares (GDS) and re-issue of forfeited equity shares, since inception.

1.4 17,18,83,624 (17,18,83,624) Shares held by Subsidiaries do not have Voting Rights and are not eligible for Bonus Shares

1.5 4,62,46,280 (36,63,431) Shares were bought back and extinguished in the last five years.

1.6 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2013 No. of Shares	% held	As at 31st March, 2012 No. of Shares	% held
Life Insurance Corporation of India	25,77,59,467	7.98	23,19,67,257	7.09

1.7 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
Equity Shares at the beginning of the year	327,10,59,340	327,33,74,008
Add : Shares issued on exercise of Employee Stock Options	1,86,891	13,48,763
Less : Shares cancelled on buy back of Equity Shares	4,25,82,849	36,63,431
Equity Shares at the end of the year	322,86,63,382	327,10,59,340

1.8 The Company has reserved issuance of 13,37,43,590 (Previous year 13,39,30,481) Equity Shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year, the Company has not granted any options to the eligible employees [Previous year 68,817 options, which includes 4,100 options at a price of ₹ 972 per option, 18,000 options at a price of ₹ 871 per option, 23,717 options at a price of ₹ 847 per option, 15,000 options at a price of ₹ 765 per option and 8,000 options at a price of ₹ 715 per option plus all applicable taxes, as may be levied in this regard on the Company]. The options would vest over a maximum period of 7 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specified criteria.

Notes on Financial Statements for the Year ended 31st March, 2013

1.9 Share application money pending allotment represents application money received on account of employees stock option scheme.

2. RESERVES AND SURPLUS

(₹ in crore)

	As at 31st March, 2013		As at 31st March, 2012	
Revaluation Reserve				
As per last Balance Sheet	3,127		5,467	
Less: Transferred to Profit and Loss Account (Refer Note No. 9.9)	2,072		2,340	
		1,055		3,127
Capital Reserve				
As per last Balance Sheet		291		291
Capital Redemption Reserve				
As per last Balance Sheet	4		-	
Add : On Amalgamation (Refer Note No. 33)	1		-	
Add : Transferred from Profit and Loss Account on buy back of Equity Shares	43		4	
		48		4
Securities Premium Reserve				
As per last Balance Sheet	50,677		50,878	
Add : On issue of shares	12		85	
	50,689		50,963	
Less : On Redemption of Debentures/Bonds	-		11	
Less : On buy back of Equity Shares	3,044		275	
	47,645		50,677	
Less: Calls in arrears - by others [₹ 2,21,548 (Previous Year ₹ 2,21,548)]	-		-	
		47,645		50,677
Debentures Redemption Reserve				
As per last Balance Sheet		1,117		1,117
General Reserve*				
As per last Balance Sheet	1,00,000		84,000	
Add: Transferred from Profit and Loss Account	18,000		16,000	
		1,18,000		1,00,000
Profit and Loss Account				
As per last Balance Sheet	7,609		6,514	
Add : On Amalgamation (Refer Note No. 33)	1,116		-	
Add: Profit for the year	21,003		20,040	
	29,728		26,554	
Less: Appropriations				
Transferred to General Reserve	18,000		16,000	
Transferred to Capital Redemption Reserve on buy back of Equity Shares	43		4	
Proposed Dividend on Equity Shares** [Dividend per Share ₹ 9.0/- (Previous year ₹ 8.5/-)]	2,628		2,531	
Tax on Dividend**	447		410	
		8,610		7,609
TOTAL		1,76,766		1,62,825

* Cumulative amount withdrawn on account of Depreciation on Revaluation is ₹ 2,563 crore.

Notes on Financial Statements for the Year ended 31st March, 2013

** Proposed Dividend on Equity Shares and Tax on Dividend are net of reversal of excess provision of previous year pertaining to Equity Shares bought back before the record date of Dividend, aggregating to ₹ 17 crore.

3. LONG TERM BORROWINGS

(₹ in crore)

	As at 31st March, 2013		As at 31st March, 2012	
	Non Current	Current	Non Current	Current
Secured				
Non Convertible Debentures	1,842	4,182	6,024	3,044
Long Term Maturities of Finance Lease Obligations (Refer Note No. 9.7 and 30)	147	22	168	20
	1,989	4,204	6,192	3,064
Unsecured				
Bonds	9,066	-	4,564	-
Term Loans- from banks	31,951	13,697	37,269	6,753
Deferred payment liabilities	6	3	9	3
	41,023	13,700	41,842	6,756
TOTAL	43,012	17,904	48,034	9,820

3.1 Non Convertible Debentures referred above to the extent of:

a) ₹ 1,593 crore are secured by way of first mortgage / charge on the immovable properties situated at Hazira Complex and at Jamnagar Complex (other than SEZ units) of the Company.

b) ₹ 2,500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (other than SEZ units) of the Company.

c) ₹ 1,300 crore are secured by way of first mortgage / charge on all the properties situated at Hazira Complex and at Patalganga Complex of the Company.

d) ₹ 50 crore are secured by way of first mortgage / charge on certain properties situated at Ahmedabad in the State of Gujarat and on fixed assets situated at Nagpur Complex of the Company.

e) ₹ 30 crore are secured by way of first mortgage / charge on certain properties situated at Surat in the State of Gujarat and on fixed assets situated at Allahabad Complex of the Company.

f) ₹ 51 crore are secured by way of first mortgage / charge on movable and immovable properties situated at Thane in the State of Maharashtra and on movable properties situated at Baulpur Complex of the Company.

g) ₹ 500 crore are secured by way of first mortgage / charge on the immovable properties situated at Jamnagar Complex (SEZ unit) of the Company.

3.2 Maturity profile and Rate of interest of Non Convertible Debentures are as set out below :

(₹ in crore)

Rate of Interest	2014-15	2015-16	2016-17	2017-18	2018-19	2020-21
6.25%	133	133	133	133	133	-
8.75%	-	-	-	-	-	500
9.25%	250	-	-	-	-	-
10.75%	-	-	-	-	370	-
Zero Coupon Debentures	26	31	-	-	-	-

3.3 Finance Lease obligations are secured against leased assets.

Notes on Financial Statements for the Year ended 31st March, 2013

3.4 Maturity profile and Rate of interest of Bonds are as set out below :

(₹ in crore)

	Maturity Profile						
Rate of Interest	**2015-16**	**2016-17**	**2018-19**	**2026-27**	**2027-28**	**2046-47**	**2096-97**
2.86%	932	-	-	-	-	-	-
6.21%	-	271	-	-	-	-	-
6.24%	-	879	-	-	-	-	-
6.34%	-	-	206	-	-	-	-
6.51%	-	706	-	-	-	-	-
6.61%	-	-	923	-	-	-	-
7.63%	-	-	-	-	27	-	-
8.25%	-	-	-	184	-	-	-
9.38%	-	-	-	120	-	-	-
10.25%	-	-	-	-	-	-	68
10.38%	-	355	-	-	-	-	-
10.50%	-	-	-	-	-	52	-

3.5 Bonds include, 5.875% Senior Perpetual Notes (the "Notes") of ₹ 4,343 crore. The Notes have no fixed maturity date and the Company will have an option, from time to time, to redeem the Notes, in whole or in part, on any semi-annual interest payment date on or after February 5, 2018 at 100% of the principal amount plus accrued interest.

3.6 Maturity Profile of Unsecured Term Loans are as set out below :

(₹ in crore)

	Maturity Profile			
	1-2 years	**2-3 years**	**3-4 years**	**Beyond 4 years**
Term Loans- from banks	3,637	6,525	8,854	12,935

4. DEFERRED TAX LIABILITY (Net)

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liability		
Related to fixed assets	12,293	12,207
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	100	85
TOTAL	12,193	12,122

5. SHORT TERM BORROWINGS

(₹ in crore)

	As at 31st March, 2013		As at 31st March, 2012	
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans	406		738	
Rupee Loans	27		19	
		433		757
Unsecured				
Other Loans and Advances				
From Banks				
Foreign Currency Loans - Buyers/Packing Credit	10,978		9,736	
Rupee Loans	100		100	
		11,078		9,836
TOTAL		11,511		10,593

5.1 Working capital loans are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills, materials in transit, etc. save and except receivables of Oil and Gas Division.

Notes on Financial Statements for the Year ended 31st March, 2013

6. TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Micro, Small and Medium Enterprises	**66**	33
Others	**45,721**	40,291
TOTAL	**45,787**	40,324

6.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

(₹ in crore)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

7. OTHER CURRENT LIABILITIES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long term debt (Refer Note No. 3)	**17,882**	9,800
Current maturities of finance lease obligations (Refer Note No. 3 and 9.7)	**22**	20
Interest accrued but not due on borrowings	**340**	424
Unclaimed Dividends #	**152**	129
Application money received and due for refund #	**1**	1
Unpaid matured debentures and interest accrued thereon #	**1**	1
Creditors for Capital Expenditure	**1,430**	1,189
Other Payables *	**1,812**	2,149
TOTAL	**21,640**	13,713

* Includes statutory dues, security deposit and advance from customers.

\# These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 10 crore (Previous Year ₹ 9 crore) which is held in abeyance due to legal cases pending.

8. SHORT TERM PROVISIONS

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Provisions for Employee Benefits (Refer Note No. 22.1)	**126**	191
Proposed Dividend	**2,643**	2,531
Tax on Dividend	**449**	410
Provision for Wealth Tax	**44**	79
Other Provisions #	**1,086**	1,047
TOTAL	**4,348**	4,258

Notes on Financial Statements for the Year ended 31st March, 2013

The Company had recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2012 of ₹ 326 crore as per the estimated pattern of despatches. During the year, ₹ 326 crore was utilised for clearance of goods. Provision reeognised under this class for the year is ₹ 336 crore which is outstanding as on 31st March, 2013. Actual outflow is expected in the next financial year. The Company had recognised customs duty liability on goods imported of ₹ 704 crore as at 31st March, 2012. During the year, further provision of ₹ 339 crore was made and sum of ₹ 296 crore was reversed on fulfilment of export obligation. Closing balance on this account as at 31st March, 2013 is ₹ 747 crore. Other class of provisions where recognition is based on substantial degree of estimation relate to disputed customer / supplier / third party claims, rebates or demands against the Company. Any additional information in this regard can be expected to seriously prejudice the position of the Company.

9. FIXED ASSETS

(₹ in crore)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2012	Additions / Adjustment	Deductions/ Adjustments	As at 31-03-2013	As at 01-04-2012	For the Year	Deductions/ Adjustments	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
TANGIBLE ASSETS :										
OWN ASSETS :										
Leasehold Land	1,577	45	-	1,622	242	54	-	296	1,326	1,335
Freehold Land	1,221	89	1	1,309	-	-	-	-	1,309	1,221
Buildings	7,792	730	6	8,516	2,568	518	2	3,084	5,432	5,224
Plant & Machinery	1,34,993	3,066	486	1,37,573	62,319	7,950	435	69,834	67,739	72,674
Electrical Installations	3,582	9	-	3,591	1,564	164	-	1,728	1,863	2,018
Equipments $	6,459	106	15	6,550	1,556	314	14	1,856	4,694	4,903
Furniture & Fixtures	524	18	20	522	336	35	19	352	170	188
Vehicles	316	90	29	377	171	50	21	200	177	145
Ships	386	1	-	387	254	14	-	268	119	132
Aircrafts & Helicopters	46	-	-	46	23	4	-	27	19	23
Sub-Total	1,56,896	4,154	557	1,60,493	69,033	9,103	491	77,645	82,848	87,863
LEASED ASSETS :										
Plant & Machinery	318	-	-	318	180	24	-	204	114	138
Ships	10	-	-	10	10	-	-	10	-	-
Sub-Total	328	-	-	328	190	24	-	214	114	138
Total (A)	1,57,224	4,154	557	1,60,821	69,223	9,127	491	77,859	82,962	88,001
INTANGIBLE ASSETS : *										
Technical Knowhow fees	3,403	-	-	3,403	1,725	185	-	1,910	1,493	1,678
Software	488	6	13	481	428	11	13	426	55	60
Development Rights	35,179	4,091	-	39,270	19,525	2,742	-	22,267	17,003	15,654
Others	9,199	-	20	9,179	869	75	-	944	8,235	8,330
Total (B)	48,269	4,097	33	52,333	22,547	3,013	13	25,547	26,786	25,722
Total (A + B)	2,05,493	8,251	590	2,13,154	91,770	12,140	504	1,03,406	1,09,748	1,13,723
Previous Year	2,21,253	12,981	28,741	2,05,493	78,546	13,734	510	91,770	1,13,723	
Capital Work-in-Progress									13,525	3,695
Intangible Assets under Development									5,591	4,059

$ Includes Office Equipments

* Other than internally generated

9.1 Leasehold Land includes ₹ 203 crore (Previous Year ₹ 203 crore) in respect of which lease-deeds are pending execution.

9.2 Buildings include :

i) Cost of shares in Co-operative Housing Societies ₹ 1 crore (Previous Year ₹ 1 crore).

ii) ₹ 5 crore (Previous Year ₹ 5 crore) in respect of which conveyance is pending.

iii) ₹ 93 crore (Previous Year ₹ 93 crore) in shares of Companies / Societies with right to hold and use certain area of Buildings.

Notes on Financial Statements for the Year ended 31st March, 2013

9.3 Intangible assets - Others include :

i) Jetties amounting to ₹ 812 crore (Previous Year ₹ 812 crore), the Ownership of which vests with Gujarat Maritime Board. However, under an agreement with Gujarat Maritime Board, the Company has been permitted to use the same at a concessional rate.

ii) ₹ 8,367 crore (Previous Year ₹ 8,387 crore) in preference shares of subsidiaries and lease premium paid with right to hold and use Land and Buildings.

9.4 Capital Work-in-Progress and Intangible Assets under development include :

i) ₹ 2,795 crore (Previous Year ₹ 2,320 crore) on account of project development expenditure.

ii) ₹ 4,685 crore (Previous Year ₹ 933 crore) on account of cost of construction materials at site.

9.5 Gross Block includes ₹ 12,901 crore added on revaluation of Building, Plant & Machinery and Equipments as at 01.01.2009 based on reports issued by international valuers.

9.6 Additions in Plant and Machinery, Capital Work-in-Progress, Intangible Assets - Development Rights and Intangible Assets under development includes ₹ 5,070 crore (net loss) [Previous Year ₹ 7,558 crore (net loss)] on account of exchange difference during the year.

9.7 i) In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2013 are as follows:

(₹ in crore)

	Total Minimum Lease Payments outstanding As at 31st March		Future interest on Outstanding Lease Payments		Present value of Minimum Lease Payments As at 31st March	
	2013	2012	**2012-13**	2011-12	**2013**	2012
Within one year	**37**	36	**15**	16	**22**	20
Later than one year and not later than five years	**147**	146	**35**	44	**112**	102
Later than five years	**36**	73	**1**	7	**35**	66
Total	**220**	255	**51**	67	**169**	188

ii) General Description of Lease terms:

(a) Lease rentals are charged on the basis of agreed terms.

(b) Assets are taken on lease over a period of 5 to 10 years.

9.8 Project Development Expenditure

(in respect of Projects up to 31st March, 2013, included under Capital work-in-progress and Intangible Assets under development)

(₹ in crore)

	2012-13		2011-12	
Opening Balance		**2,320**		1,886
Add: Transferred from Profit and Loss Account (Refer Note No. 25)	**98**		37	
Interest Capitalised	**385**		430	
		483		467
		2,803		2,353
Less: Project Development Expenses Capitalised during the year		**8**		33
Closing Balance		**2,795**		2,320

9.9 The Gross Block of Fixed Assets includes ₹ 38,122 crore (Previous Year ₹ 38,122 crore) on account of revaluation of Fixed Assets carried out since inception. Consequent to the said revaluation there is an additional charge of depreciation of ₹ 2,072 crore (Previous Year ₹ 2,340 crore) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account. This has no impact on profit for the year.

9.10 Additions for the year includes freehold land ₹ 56 crore, buildings ₹ 674 crore, plant and machinery ₹ 1,189 crore, furniture and fixtures ₹ 12 crore, vehicles ₹ 10 crore and software ₹ 1 crore on amalgamation of Reliance Jamnagar Infrastructure Limited with the Company. Accumulated depreciation of ₹ 603 crore on the above assets has included in depreciation for the year. (Refer Note No. 33)

Notes on Financial Statements for the Year ended 31st March, 2013

10. NON-CURRENT INVESTMENTS

(Long Term Investments)

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
Trade Investments					
In Equity Shares - Unquoted, fully paid up					
1,00,00,000 (1,00,00,000)	Petronet India Limited of ₹ 10 each	10		10	
		10		10	
In Equity Shares of Associate Companies - Unquoted, fully paid up					
64,29,20,000 (64,29,20,000)	Gujarat Chemical Port Terminal Company Limited of ₹ 1 each	64		64	
62,63,125 (62,63,125)	Indian Vaccines Corporation Limited of ₹ 10 each	1		1	
11,08,500 (11,08,500)	Reliance Europe Limited of Sterling Pound 1 each	4		4	
52,00,000 (26,00,000)	Reliance Utilities and Power Private Limited Class 'A' shares of ₹ 1 each [₹ 40,40,000 (Previous Year ₹ 19,90,000)]	-		-	
- (26,00,000)	Reliance Utilities Private Limited Class 'A' shares of ₹ 1 each [₹ NIL (Previous Year ₹ 20,50,000)]	-		-	
		69		69	
In Preference Shares of Associate Company - Unquoted, fully paid up					
50,00,00,000 (50,00,00,000)	9% Non-Cumulative Redeemable Preference Shares of Reliance Gas Transportation Infrastructure Limited of ₹ 10 each	2,000		2,000	
		2,000		2,000	
Total Trade Investments (A)			2,079		2,079
Other Investments					
In Equity Shares of Associate Company - Quoted, fully paid up					
68,60,064 (68,60,064)	Reliance Industrial Infrastructure Limited of ₹ 10 each	16		16	
		16		16	
In Equity Shares of Associate Company - Unquoted, fully paid up					
22,500 (22,500)	Reliance LNG Limited of ₹ 10 each [₹ 2,25,000 (Previous Year ₹ 2,25,000)]	-		-	
		-		-	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up					
4,79,76,90,000 (4,79,76,90,000)	Reliance Jio Infocomm Limited of ₹10 each	4,798		4,798	
- (1,76,200)	Reliance Exploration & Production DMCC of AED 1000 each	-		211	
2,00,000 (2,00,000)	Reliance Global Business B.V. of Euro 0.01 each [₹ 1,25,400 (Previous Year ₹ 1,25,400)]	-		-	
14,75,04,400 (14,75,04,400)	Reliance Industrial Investments and Holdings Limited of ₹10 each	148		148	
42,450 (42,450)	Reliance Industries (Middle East) DMCC of AED 1000 each	46		46	
- (10,00,00,000)	Reliance Jamnagar Infrastructure Limited of ₹ 10 each	-		100	
- (5,22,00,00,000)	Reliance Retail Limited of ₹10 each	-		5,220	
20,20,200 (20,20,200)	Reliance Strategic Investments Limited of ₹ 10 each	2		2	
26,91,150 (26,91,150)	Reliance Ventures Limited of ₹ 10 each	2,351		2,351	
65,50,001 (59,00,001)	RIL (Australia) Pty Limited of Aus $ 1 each	25		22	
50,000 (50,000)	Reliance Energy Generation and Distribution Limited of ₹ 10 each [₹ 5,00,000 (Previous Year ₹ 5,00,000)]	-		-	
5,66,70,00,000 (-)	Reliance Commercial Associates Limited of ₹ 10 each	5,667		-	
50,000 (-)	Reliance Gas Pipelines Limited of ₹ 10 each [₹ 5,01,256 (Previous Year ₹ NIL)]	-		-	
		13,037		12,898	
			13,053		12,914
In Preference shares of Subsidiary Companies - Unquoted, fully paid up					
5,92,70,31,111 (6,60,77,27,511)	Reliance Global Business B.V. Class 'A' Shares of Euro 0.01 each	382		426	
4,02,800 (4,02,800)	9% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Strategic Investments Limited of ₹ 1 each	113		113	
63,436 (3,54,156)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Industries (Middle East) DMCC of AED 1000 each	85		474	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
- (24,82,316)	5% Non Cumulative Compulsorily Convertible Preference Shares of Reliance Exploration & Production DMCC of AED 1000 each	-		3,121	
- (18,50,000)	10% Non-Cumulative Optionally Convertible Preference Shares of Reliance Jamnagar Infrastructure Limited of ₹ 10 each	-		925	
- (62,000)	Reliance Netherlands B.V. Class 'A' Shares of Euro 1 each [₹ NIL (Previous Year ₹ 37,57,820)]	-		-	
- (2,58,00,00,000)	9% Cumulative Optionally Convertible Preference Shares of Reliance Retail Limited of ₹ 10 each	-		2,580	
2,64,70,00,000 (-)	9% Cumulative Redeemable Preference Shares of Reliance Jio Infocomm Limited of ₹ 10 each	2,647		-	
		3,227		7,639	
In Preference shares of Subsidiary Company - Unquoted, partly paid up					
- (1,37,000)	Reliance Netherlands B.V. Class 'A' Shares of Euro 1 each (Euro 0.60 each paid up)	-		1	
		-		1	
			3,227		7,640
In Debentures of Subsidiary Companies - Unquoted, Fully paid up					
2,79,90,000 (2,79,90,000)	0% Unsecured Convertible Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 100 each	280		280	
8,83,143 (8,83,143)	0% Unsecured Convertible Redeemable Debentures of Reliance Industrial Investments and Holdings Limited of ₹ 5,000 each	442		442	
			722		722
In Government Securities-Unquoted					
	6 Years National Savings Certificate (Deposited with Sales Tax Department and other Government Authorities) [₹ 1,69,920 (Previous Year ₹ 2,43,420)]		-		-
In Government Securities-Quoted					
	8.33% GOI 2026		650		-
In Fixed Maturity Plan - Quoted fully paid up					
2,50,00,000 (5,00,00,000)	Axis Fixed Term Plan - (Series 21/22/34) - Growth	25		50	
2,50,00,000 (-)	Baroda Pioneer Fixed Maturity Plan - Series C - Growth	25		-	
19,00,00,000 (47,00,00,000)	Birla Sunlife Fixed Term Plan - (Series ES/EV/EY/FC/GA/GB/GF) - Growth	190		470	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
3,00,00,000 (-)	BNP Paribas Fixed Term Fund - Series 24 A - Growth	30		-	
40,00,00,000 (40,50,00,000)	DSP Blackrock Fixed Maturity Plan - (Series 37/38/43/88/89/91/93) - Growth	400		405	
17,00,00,000 (20,30,00,000)	DWS Fixed Maturity Plan - (Series 6/7/9/10/26/28/30) - Growtb	170		203	
35,20,00,000 (54,70,00,000)	HDFC Fixed Maturity Plan - Growth (Series 21/23/24)	352		547	
1,50,00,000 (4,50,00,000)	HSBC Fixed Term Plan - (Series 86/90) - Growth	15		45	
86,50,00,000 (71,50,00,000)	ICICI Prudential Fixed Maturity Plan - Cumulative (Series 62/63/65/66/67)	865		715	
7,00,00,000 (19,20,00,000)	IDFC Fixed Maturity Plan - (Series 7/8/11/14/65) - Growth	70		192	
- (3,50,00,000)	India Bulls Fixed Maturity Plan - Growth	-		35	
34,50,00,000 (15,00,00,000)	JP Morgan Fixed Maturity Plan - (Series 6/12/13/16/18) - Growth	345		150	
29,50,00,000 (27,00,00,000)	Kotak Fixed Maturity Plan - (Series 76/80/82/97/98/99/101/102/103) - Growth	295		270	
12,50,00,000 (-)	L&T Fixed Maturity Plan - VII - Growth	125		-	
6,50,00,000 (3,50,00,000)	LIC Nomura MF Fixed Maturity Plan - (Series 52/56/58) - Growth	65		35	
45,00,00,000 (-)	Reliance Fixed Horizon Fund - XXII/XXIII (Series 5/9/33) - Growth	450		-	
12,00,00,000 (17,30,00,000)	Religare Fixed Maturity Plan - (Series XIII/XIV/XVII/XVIII) - Growth	120		173	
38,00,00,000 (16,00,00,000)	SBI Debt Fund - (Series 2/12/13/14/15/25) - Growth	380		160	
10,00,00,000 (4,00,00,000)	Sundaram Fixed Term Plan - (Series CQ/DC/DF/DH) - Growth	100		40	
25,00,00,000 (13,50,00,000)	Tata Fixed Maturity Plan - (Series 39/40/42) - Growth	250		134	
14,00,00,000 (-)	UTI Fixed Income Fund - (Series XIII - III / XIV - VII) - Growth	140		-	
			4,412		3,624
Total Other Investments (B)			22,064		24,900
Total Non Current Investments (A + B)			24,143		26,979
	Aggregate amount of quoted investments		5,078		3,640
	Market Value of quoted investments		5,329		3,945
	Aggregate amount of unquoted investments		19,065		23,339

Notes on Financial Statements for the Year ended 31st March, 2013

11. LONG TERM LOANS AND ADVANCES

(₹ in crore)

(Unsecured and Considered Good)	As at 31st March, 2013	As at 31st March, 2012
Capital Advances #	1,208	1,190
Deposits with Related parties (Refer Note No. 30)	1,469	1,741
Loans and Advances to Related Parties (Refer Note No. 30)	18,308	10,243
Advance Income Tax (Net of Provision)	475	1,100
Other Loans and Advances*	68	66
TOTAL	21,528	14,340

* Includes Loans to Employees.

\# Includes ₹ NIL (Previous Year ₹ 42 crore) to Reliance Haryana SEZ Limited, ₹ 2 crore (Previous Year ₹ NIL) to Reliance Industrial Infrastructure Limited.

11.1 Loans and Advances in the nature of Loans given to Subsidiaries :

A) Loans and Advances in the nature of Loans

(₹ in crore)

Sr No.	Name of the Company		As at 31st March, 2013	As at 31st March, 2012	Maximum Balance during the year
1.	Reliance Industrial Investments and Holdings Limited*	Subsidiary	17,306	9,622	19,135
2.	Reliance Ventures Limited	Subsidiary	-	-	1,767
3.	Reliance Strategic Investments Limited	Subsidiary	-	-	2,421
4.	Reliance Retail Limited	Subsidiary	920	617	1,181
5.	Reliance Exploration & Production DMCC	Subsidiary	71	-	72
6.	Reliance Brands Limited	Subsidiary	11	-	11

* Excluding Debentures of ₹ 722 crore (Previous Year ₹ 722 crore)

(a) Loans and Advances shown above, fall under the category of 'Long Term Loans & Advances' in nature of Loans and are re-payable within 3 to 5 years.

(b) All the above loans and advances are interest bearing except for an amount of ₹ 13,944 crore paid to Reliance Industrial Investments and Holdings Limited.

(c) Loans to employees as per Company's policy are not considered.

B) (i) *Investment by the loanee in the shares of the Company*

*None of the loanees and loanees of subsidiary companies have, per se, made investments in shares of the Company. These investments represent shares of the Company allotted as a result of amalgamation of erstwhile Reliance Petroleum Limited (amalgamation in 2001-02) and Indian Petrochemicals Corporation Limited with the Company under the Schemes approved by the Hon'ble High Court of Judicature at Bombay and Gujarat and certain subsequent inter se transfer of shares.

(₹ in crore)

Sr No.	Name of the Company	No. of Shares	Amount
1.	*Reliance Aromatics and Petrochemicals Limited	2,98,89,898	274
2.	*Reliance Energy and Project Development Limited	20,58,000	303

(ii) *Investment by Reliance Industrial Investments and Holdings Limited in subsidiaries*

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1	Reliance Commercial Land & Infrastructure Limited	4,30,10,000
2	Reliance Global Business B.V.	18,00,000
3	Reliance Gas Corporation Limited	50,000

Notes on Financial Statements for the Year ended 31st March, 2013

Sr No.	Name of the Company	No. of Shares
4	Reliance Universal Enterprises Limited	38,55,000
5	Indiawin Sports Private Limited	26,50,000
6	Reliance Corporate Services Limited	10,000
7	Reliance Industries Investment and Holding Limited	50,000
8	Reliance Security Solutions Limited	50,000
9	Mark Project Services Private Limited	5,000
10	GenNext Innovation Ventures Limited	50,000
11	Kanhatech Solutions Limited	72,00,000
12	Reliance Sibur Elastomers Private Limited	8,83,86,308
13	Reliance Payment Solutions Limited	20,00,000
14	Reliance Exploration & Production DMCC	1,76,200

In Preference Shares :

Sr No.	Name of the Company	No. of Shares
1	Reliance Industries Investment and Holding Limited	32,12,300
2	Reliance Jio Infocomm Limited	12,50,00,000
3	Reliance Exploration & Production DMCC	13,79,816

(iii) Investment by Reliance Exploration & Production DMCC in Subsidiaries

In Equity Shares :

Sr No.	Name of the Company	No. of Shares
1	Gulf Africa Petroleum Corporation	16,720
2	Central Park Enterprises DMCC	367

(iv) Investment by Reliance Retail Limited in Subsidiaries in Equity Shares:

Sr No.	Name of the Company	No. of Shares
1	Reliance Fresh Limited	10,50,000
2	Reliance Retail Finance Limited	20,20,000
3	Reliance Retail Insurance Broking Limited	40,00,000
4	Reliance Financial Distribution and Advisory Services Limited	50,000
5	Reliance-GrandOptical Private Limited	50,000

(v) Investment by Reliance Brands Limited in Subsidiaries in Equity Shares:

Sr No.	Name of the Company	No. of Shares
1	Reliance Style Fashion India Private Limited	10,10,000
2	Reliance Styles India Limited	50,000
3	Reliance Lifestyle Holdings Limited	50,000

11.2 (i) Assets given on finance lease on or after 1st April, 2001

(₹ in crore)

Particulars	Total		Not later than one year		Later than one year and not later than five years		Later than five years	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Gross Investment	3	21	3	17	-	4	-	-
Less: Unearned Finance Income	-	1	-	1	-	-	-	-
Present Value of Minimum Lease Rental	3	20	3	16	-	4	-	-

(ii) General Description of Lease terms:

- Lease rentals are charged on the basis of agreed rate of interest.
- Assets are given on lease for a period of five years.

Notes on Financial Statements for the Year ended 31st March, 2013

12. CURRENT INVESTMENTS

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
Investment in Government Securities - Quoted					
	7.59% GOI 2016	5		5	
	8.20% GOI 2025	278		-	
	8.33% GOI 2026	102		-	
	8.97% GOI 2030	149		-	
			534		5
Investment in Debentures or Bonds - Quoted, Fully Paid up					
- (250)	Axis Bank Limited	-		25	
- (1,000)	CitiFinancial Consumer Finance India Limited	-		98	
300 (1,250)	EXIM Bank of India	30		120	
38,200 (18,387)	Housing Development Finance Corporation Limited	3,828		1,822	
6,500 (10,750)	Infrastructure Development Finance Company Limited	647		1,060	
15,095 (15,095)	India Infrastructure Finance Company Limited	149		149	
42,63,562 (32,62,862)	Indian Railway Finance Corporation Limited	521		350	
5,150 (5,550)	LIC Housing Finance Limited	515		545	
7,250 (3,500)	National Bank for Agriculture and Rural Development	726		349	
49,44,752 (49,44,752)	National Highways Authority of India	494		494	
42,74,393 (42,76,093)	Power Finance Corporation Limited	688		858	
40 (920)	Power Grid Corporation of India Limited	5		112	
595 (450)	Rural Electrification Corporation Limited	59		44	
- (550)	Steel Authority of India Limited	-		53	
650 (250)	Tata Steel Limited	58		26	
1,320 (1,370)	Tata Power Company Limited	133		142	
			7,853		6,247
Investment in Debentures or Bonds - Unquoted, Fully Paid up					
3,000 (-)	Tata Sons Limited		300		-
Investment in Fixed Maturity Plan - Quoted, Fully Paid up					
5,00,00,000 (6,50,00,000)	Axis Fixed Term Plan - (Series 15/16/21/22) - Growth	50		65	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

Units	Particulars	As at 31st March, 2013	As at 31st March, 2012
2,50,00,000 (1,20,00,000)	Baroda Pioneer Fixed Maturity Plan - (Series A/2) - Growth	25	12
12,00,00,000 (-)	Birla Sun Life Fixed Term Plan - (Series FM/FO/FP) - Dividend	120	-
57,50,00,000 (61,00,00,000)	Birla Sun Life Fixed Term Plan - (Series DB/DL/DN/DO/DQ/DS/ES/EV/EW/EY/FA/FC/FD/FM/FO/FP/HD)- Growth	575	610
1,50,00,000 (-)	Birla Sunlife Interval Income Fund - Annual Plan 5 - Growth	15	-
5,00,00,000 (-)	BNP Paribas Fixed Term Fund Series 25A - Growth	50	-
- (10,00,00,000)	Canara Robeco Fixed Maturity Plan - (Series 6 / 7) - Growth	-	100
53,00,00,000 (41,00,00,000)	DSP Blackrock Fixed Maturity Plan - (Series 7/10/12/16/18/37/38/39/43/44/90/94) - Growth	530	410
32,80,00,000 (14,30,00,000)	DWS Fixed Maturity Plan - (Series 6/7/9/10/11/18/27/29/90/92) - Growth	328	143
5,00,00,000 (-)	HDFC Annual Interval Fund - Series 1 - Growth	50	-
62,70,00,000 (44,00,00,000)	HDFC Fixed Maturity Plan (Series XVI/XVIII/XIX/XXI) - Growth	627	440
4,50,00,000 (-)	HSBC Fixed Term Series 86 - Growth	45	-
88,00,00,000 (39,00,00,000)	ICICI Prudential Fixed Maturity Plan (Series 54/59/62/63/67) - Cumulative	880	390
- (5,00,00,000)	ICICI Prudential Fixed Maturity Plan Series 55 - Dividend	-	50
2,98,46,064 (12,04,25,008)	ICICI Prudential Interval Fund Annual Interval Plan - I Institutional Cumulative	32	130
3,00,00,000 (-)	ICICI Prudential Interval Fund Series VI Annual Interval Plan - C - Growth	30	-
9,96,19,002 (-)	ICICI Prudential Long Term Plan Premium Plus - Annual Dividend	100	-
2,50,00,000 (-)	IDBI Fixed Maturity Plan Series - III - Growth	25	-
44,30,00,000 (15,50,00,000)	IDFC Fixed Maturity Plan - (Series 7/8/12/13/52/64/65/66/78/79) - Growth	443	155
12,00,00,000 (-)	IDFC Series Interval Fund - (Series I/II) - Growth	120	-
3,50,00,000 (-)	Indiabulls Fixed Maturity Plan - Growth	35	-
21,50,00,000 (10,50,00,000)	JP Morgan India Fixed Maturity Plan - (Series 6/8/17) - Growth	215	105
36,00,00,000 (23,00,00,000)	Kotak Fixed Maturity Plan (Series 57/60/62/76/80/82/83/100) - Growth	360	230

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
4,00,00,000 (-)	L&T Fixed Maturity Plan - VII - Growth	40		-	
14,50,00,000 (-)	LIC Nomura MF Fixed Maturity Plan (Series 52/53/54/60/61) - Growth	145		-	
11,00,00,000 (-)	Reliance Fixed Horizon Fund - XXIII - Series 6 - Growth	110		-	
24,80,00,000 (6,00,00,000)	Religare Fixed Maturity Plan - (Series VIII/IX/XIII/XIV/XVII/XVIII) - Growth	248		60	
14,00,00,000 (-)	SBI Debt Fund (Series 5/7) - Dividend	140		-	
53,00,00,000 (76,50,00,000)	SBI Debt Fund (Series 1/6/7/11/12/13/17/18/19/23/24) - Growth	530		765	
6,50,00,000 (2,20,00,000)	Sundaram Fixed Term Plan (Series BK/BN/CQ/ DG) - Growth	65		22	
13,50,00,000 (24,00,00,000)	Tata Fixed Maturity Plan (Series 34/36/37/39/40) - Growth	135		240	
5,49,80,083 (6,66,98,706)	UTI Fixed Income Interval Fund - Annual Interval Plan (Series - II/III) - Institutional Growth	70		83	
13,00,00,000 (2,61,12,073)	UTI Fixed Term Income Fund Series IX / XII - Dividend	130		26	
22,50,00,000 (-)	UTI Fixed Term Income Fund Series XIV - V/VI/VII - Growth	225		-	
			6,493		4,036
Investment in Mutual Fund - Unquoted					
11,08,67,422 (-)	Axis Short Term Fund - Institutional Growth	135		-	
1,31,48,48,855 (41,19,71,606)	Birla Sunlife Dynamic Bond Fund - Retail - Growth	2,418		730	
5,56,20,512 (-)	Birla Sunlife Short Term Fund - Growth	225		-	
2,31,91,812 (-)	Canara Robeco Short Term Fund - Regular Growth	30		-	
4,59,45,325 (-)	Canara Robeco Short Term Institutional Growth Fund	60		-	
5,96,310 (-)	DSP Black Rock Liquidity Fund - Institutional Plan Growth	100		-	
11,14,37,619 (-)	DSP BlackRock Short Term Fund - Growth	210		-	
48,23,954 (-)	DSP BlackRock Strategic Bond Fund -Institutional Plan - Growth	625		-	
11,66,82,484 (-)	DWS GILT Fund - Regular Plan - Growth	150		-	
1,04,54,867 (-)	DWS Insta Cash Plus Fund - Super Institutional Plan - Bonus	-		-	
4,66,90,013 (-)	DWS Money Plus Fund - Regular Plan (Principle Units) - Bonus	46		-	

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

Units		As at 31st March, 2013	As at 31st March, 2012
14,48,86,484 (2,48,38,796)	DWS Premier Bond Fund - Premium Plus Plan - Growth	150	25
12,93,69,261 (3,77,86,469)	DWS Short Maturity Fund - Premium Plus Growth	147	40
60,38,424 (-)	DWS Treasury Fund - Cash - Regular Plan - Bonus	59	-
19,73,54,869 (-)	HDFC Short Term Opportunities Fund - Growth	240	-
14,69,19,109 (-)	HDFC Floating Rate Income Fund - Long Term Plan - Growth	300	-
22,67,48,577 (-)	HDFC High Interest Fund - Short Term Plan - Growth	500	-
86,58,009 (-)	HDFC Liquid Fund Growth	20	-
25,68,76,110 (-)	HDFC Medium Term Opportunities Fund - Growth	305	-
22,68,83,560 (-)	HDFC Short Term Plan - Growth	485	-
16,70,54,915 (-)	HSBC Income Fund Short Term Institutional Plus Growth	180	-
3,46,29,245 (-)	ICICI Prudential Gilt Treasury Plan - Growth	100	-
42,70,29,582 (3,99,55,814)	ICICI Prudential Institutional Short Term Plan - Cumulative Option	975	85
14,42,759 (-)	ICICI Prudential Liquid - Growth	25	-
4,39,26,695 (-)	IDBI Short Term Bond Fund - Growth	50	-
2,33,10,265 (-)	IDFC - SSIF - Medium Term - Plan - Growth	45	-
42,82,45,478 (-)	IDFC - SSIF - Short Term - Plan D - Growth	625	-
9,99,03,094 (-)	IDFC Banking Debt Fund - Regular Plan - Growth	100	-
1,75,479 (-)	IDFC Cash Fund - Growth - (Regular Plan)	25	-
23,42,26,669 (-)	IDFC Super Saver Income Fund -Medium Term - Plan B - Growth	285	-
10,38,13,700 (-)	J P Morgan India Short term Income Fund - Growth	125	-
46,01,17,659 (-)	J P Morgan India Treasury Fund - Direct Plan - Bonus	700	-
11,10,88,159 (-)	JM High Liquidity Fund - Bonus Option - Bonus Units	109	-
8,84,33,460 (-)	Kotak Bond (Short Term) - Growth	185	-

Notes on Financial Statements for the Year ended 31st March, 2013

(₹ in crore)

		As at 31st March, 2013		As at 31st March, 2012	
7,51,00,293 (-)	L & T - Short Term Opportunities Fund - Growth	80		-	
1,17,585 (7,37,24,677)	LIC Nomura MF Liquid Fund - Growth	25		141	
5,81,04,402 (-)	DWS Treasury Fund - Investment -.Bonus	75		-	
4,70,53,586 (-)	Morgan Stanley Short Term Bond Fund - Institutional Plus Growth	60		-	
12,02,16,390 (-)	Reliance Income Fund - Growth - Bonus Option	131		-	
13,27,54,784 (-)	Religare Active Income Fund - Growth	175		-	
18,67,56,236 (-)	Religare Short Term Fund - Growth	285		-	
52,63,28,065 (-)	SBI Dynamic Bond Fund - Growth	725		-	
1,90,032 (-)	SBI Premier Liquid Fund - Growth	35		-	
18,37,26,275 (-)	SBI Short Term Debt Fund - Growth	235		-	
4,32,75,524 (-)	Sundaram Flexible Fund Short - Term Plan - Growth	80		-	
3,02,49,315 (-)	Sundaram Monthly Income Plan MOD Bonus (Principal Units)	34		-	
9,21,73,180 (-)	Tata Income Fund Plan A - Appreciation Option - Bonus	97		-	
1,94,65,573 (-)	TATA Short Term Bond Fund Plan A - Growth	40		-	
37,23,783 (-)	UTI Floating Rate Fund - STP - Growth	700		-	
1,90,537 (-)	UTI Money Market Fund - Institutional Plan - Growth	25		-	
30,35,68,335 (-)	UTI Short Term Income Fund Institutional - Growth Option	400		-	
20,30,859 (-)	UTI Treasury Advantage Fund - Institutional Plan	250		-	
			13,186		1,021
Investment in Certificate of Deposits with Scheduled Banks - Unquoted			**-**		15,720
Total Current Investments			**28,366**		27,029
Aggregate amount of quoted investments			**14,880**		10,288
Market Value of quoted investments			**15,460**		10,453
Aggregate amount of unquoted investments			**13,486**		16,741

Notes on Financial Statements for the Year ended 31st March, 2013

13. INVENTORIES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Raw Materials	7,882	8,342
Raw Materials in Transit	13,820	11,008
Stock-in-Process	6,361	5,274
Finished Goods	10,819	7,944
Stores, Chemicals and Packing Materials	3,794	3,333
Stock-in-Trade	53	54
TOTAL	42,729	35,955

14. TRADE RECEIVABLES

(Unsecured and Considered Good)

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Over six months	41	14
Others	11,839	18,410
TOTAL	11,880	18,424

15. CASH AND BANK BALANCES

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Balance with Banks #	740	875
Cash on hand	15	14
Fixed deposits with banks *	48,792	38,709
TOTAL	49,547	39,598

Balance with Banks includes Unclaimed Dividend of ₹ 152 crore (Previous Year ₹ 129 crore)

* Fixed deposits with banks include deposits of ₹ 13,173 crore (Previous Year ₹ 6,860 crore) with maturity of more than 12 months.

16. SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Loans and Advances to Related Parties (Refer Note No. 30)	3,674	4,169
Balance with Customs, Central Excise Authorities	2,549	1,525
Deposits	399	358
Others*#	4,352	5,037
TOTAL	10,974	11,089

* Netted for Loans and Advances considered doubtful ₹ 70 crore (Previous Year ₹ 70 crore)

\# Includes primarily Interest Receivable on Fixed Deposits with Banks, Advance to sundry creditors.

17. OTHER CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2013	As at 31st March, 2012
Interest accrued on Investment	480	249
TOTAL	480	249

Notes on Financial Statements for the Year ended 31st March, 2013

18. REVENUE FROM OPERATIONS

(₹ in crore)

	2012-13	2011-12
Sale of Products	3,71,021	3,39,721
Income from Services	98	71
	3,71,119	3,39,792
Less: Excise Duty/ Service Tax Recovered	10,822	9,888
TOTAL	3,60,297	3,29,904

18.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in crore)

Particulars	2012-13	2011-12
Petroleum Products	2,73,790	2,45,335
Petrochemicals Products	88,108	80,625
Oil & Gas	8,173	12,620
Others	950	1,141
TOTAL	3,71,021	3,39,721

19. OTHER INCOME

(₹ in crore)

	2012-13		2011-12	
Interest				
From Current Investments	892		431	
From Long Term Investments	460		109	
From Others	4,893		3,874	
		6,245		4,414
Dividend				
From Current Investments	74		6	
From Long Term Investments	3		4	
		77		10
Net gain on Sale of Investments				
From Current Investments	1,234		1,060	
From Long Term Investments	424		575	
Adjustment to the carrying amount of investments [(₹ NIL (Previous Year ₹ 14,64,610)]	-		-	
		1,658		1,635
Other non operating income *		18		133
TOTAL		7,998		6,192

* Other non operating income includes income from finance lease of ₹ 1 crore (Previous Year ₹ 3 crore).

20. COST OF MATERIALS CONSUMED

	2012-13 ₹ in crore	2012-13 % of Consumption	2011-12 ₹ in crore	2011-12 % of Consumption
Imported	2,77,824	90.75	2,51,583	91.55
Indigenous	28,303	9.25	23,231	8.45
TOTAL	3,06,127	100.00	2,74,814	100.00

20.1 PARTICULARS OF MATERIALS CONSUMED

(₹ in crore)

Particulars	2012-13	2011-12
Crude Oil	2,79,316	2,53,997
Others	26,811	20,817
TOTAL	3,06,127	2,74,814

Notes on Financial Statements for the Year ended 31st March, 2013

21. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in crore)

	2012-13		2011-12	
Inventories (at close)				
Finished Goods / Stock-in-Trade	10,872		7,998	
Stock-in-Process	6,361		5,274	
		17,233		13,272
Inventories (at commencement)				
Finished Goods / Stock-in-Trade	7,998		7,491	
Stock-in-Process	5,274		4,909	
	13,272		12,400	
Add: On Amalgamation (Refer Note No. 33)	644		-	
		13,916		12,400
TOTAL		(3,317)		(872)

22. EMPLOYEE BENEFITS EXPENSE

(₹ in crore)

	2012-13	2011-12
Salaries and Wages	2,925	2,433
Contribution to Provident and Other Funds	218	215
Staff Welfare Expenses	211	214
TOTAL	3,354	2,862

22.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

Defined Contribution Plans

(₹ in crore)

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	2012-13	2011-12
Employer's Contribution to Provident Fund	91	80
Employer's Contribution to Superannuation Fund	15	15
Employer's Contribution to Pension Scheme	19	15

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India for SEZ unit of the Company) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Notes on Financial Statements for the Year ended 31st March, 2013

I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	**2012-13**	2011-12
Defined Benefit obligation at beginning of year	**436**	383	**137**	179
On Amalgamation (Refer Note No. 33)	**2**	-	**1**	-
Current Service Cost	**31**	27	**9**	8
Interest Cost	**34**	32	**9**	11
Actuarial (gain) / loss	**26**	17	**25**	39
Benefits paid	**(29)**	(23)	**(53)**	(100)
Defined Benefit obligation at year end	**500**	436	**128**	137

II) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in crore)

	Gratuity (Funded)	
	2012-13	2011-12
Fair value of Plan assets at beginning of year	**394**	327
On Amalgamation (Refer Note No. 33)	**2**	-
Expected return on plan assets	**34**	29
Actuarial gain / (loss)	**10**	2
Employer contribution	**92**	59
Benefits paid	**(29)**	(23)
Fair value of Plan assets at year end	**503**	394
Actual return on plan assets	**44**	31

III) Reconciliation of fair value of assets and obligations

(₹ in crore)

	Gratuity (Funded) As at 31st March		Leave Encashment (Unfunded) As at 31st March	
	2013	2012	**2013**	2012
Fair value of Plan assets	**503**	394	**-**	-
Present value of obligation	**500**	436	**128**	137
Amount recognised in Balance Sheet	**(3)**	42	**128**	137

IV) Expenses recognised during the year

(₹ in crore)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	**2012-13**	2011-12
Current Service Cost	**31**	27	**9**	8
Interest Cost	**34**	32	**9**	11
Expected return on Plan assets	**(34)**	(29)	**-**	-
Actuarial (gain) / loss	**16**	15	**25**	39
Net Cost	**47**	45	**43**	58

Notes on Financial Statements for the Year ended 31st March, 2013

V) Investment Details :

	% Invested As at 31st March, 2013	As at 31st March, 2012
GOI Securities	5.70	7.52
Public Securities	4.60	6.18
State Government Securities	1.68	2.42
Insurance Policies	87.84	83.72
Others (including bank balances)	0.18	0.16
	100.00	100.00

VI) Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8%	8.50%	8%	8.50%
Expected rate of return on plan assets (per annum)	8%	8.50%	-	-
Rate of escalation in salary (per annum)	6%	6%	6%	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

22.2 The Company had announced Voluntary Separation Scheme (VSS) for the employees during the previous year. A sum of ₹ NIL (Previous Year ₹ 5 crore) has been paid during the year and debited to Statement of Profit and Loss under the head "Employee Benefits Expense".

23. FINANCE COSTS

(₹ in crore)

	2012-13	2011-12
Interest Expenses	2,152	1,966
Other borrowing costs	16	18
Applicable loss on foreign currency transactions and translation	868	683
TOTAL	3,036	2,667

24. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in crore)

	2012-13	2011-12
Depreciation and Amortisation (Refer Note No. 9.10)	11,537	13,734
Less: Transferred from revaluation reserve (Refer Note No. 9.9)	2,072	2,340
TOTAL	9,465	11,394

Notes on Financial Statements for the Year ended 31st March, 2013

25. OTHER EXPENSES

(₹ in crore)

	2012-13		2011-12	
Manufacturing expenses				
Stores, Chemicals and Packing Materials	3,799		3,482	
Electric Power, Fuel and Water	7,166		4,094	
Labour Processing, Production Royalty and Machinery Hire Charges	1,569		1,829	
Repairs to Building	28		40	
Repairs to Machinery	698		728	
Exchange Difference (Net)	(73)		161	
Excise Duty #	36		(28)	
Lease Rent [₹ 44,00,000]	-		1	
		13,223		10,307
Selling and Distribution Expenses				
Warehousing and Distribution Expenses	4,935		4,380	
Sales tax / VAT	1,102		821	
Other Selling and Distribution Expenses	635		192	
		6,672		5,393
Establishment Expenses				
Professional fees	1,090		705	
General Expenses	404		255	
Rent	97		122	
Insurance	611		522	
Rates & Taxes	145		83	
Other Repairs	229		258	
Travelling Expenses	122		82	
Payment to Auditors	18		17	
Loss on Sale /Discard of Fixed Assets	48		45	
Charity and Donations	283		288	
		3,047		2,377
Less: Transferred to Project Development Expenditure		98		37
TOTAL		22,844		18,040

Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

25.1 VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED :

	2012-13		2011-12	
	₹ in crore	% of Consumption	₹ in crore	% of Consumption
Imported	1,725	45.41	1,816	52.15
Indigenous	2,074	54.59	1,666	47.85
TOTAL	3,799	100.00	3,482	100.00

25.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in crore)

	2012-13	2011-12
Raw Materials and Stock-in-Trade	2,81,719	2,54,248
Stores, Chemicals and Packing Materials	3,260	3,120
Capital goods	2,204	325

Notes on Financial Statements for the Year ended 31st March, 2013

25.3 PAYMENT TO AUDITORS AS :

(₹ in crore)

		2012-13	2011-12
(a)	Auditor		
	Statutory Audit Fees	7	7
	Tax Audit Fees	1	1
(b)	Certification and Consultation Fees	9	9
(c)	Cost Audit Fees	1	-
	(Previous Year ₹ 39,85,000)		
	TOTAL	**18**	17

25.4 A sum of ₹ 3 crore [Previous Year ₹ 1 erore] is included under establishment expenses representing Net Prior Period Items.

25.5 EXPENDITURE IN FOREIGN CURRENCY :

(₹ in crore)

	2012-13	2011-12
Oil and Gas Activity	1,565	1,633
Repairs to Machinery (Includes ₹ 5 crore for SEZ units)	42	84
Repairs to Building (₹ 8,41,593)	-	1
Employee Benefits Expense (Includes ₹ 6,61,989 for SEZ units)	24	40
Sales Promotion Expenses (Includes ₹ 2 crore for SEZ units)	34	29
Brokerage and Commission (Includes ₹ 2 crore for SEZ units)	46	31
Ocean Freight (Includes ₹ 669 crore for SEZ units)	1,328	1,085
Warehousing and Distribution Expenses (Includes ₹ 1,141 crore for SEZ units)	1,487	1,349
Insurance (Includes ₹ 14,78,002 for SEZ units)	2	2
Rent	6	5
Rates & Taxes (Includes ₹ 2,674 for SEZ units)	1	1
Other Repairs (Includes ₹ 1 crore for SEZ units)	13	15
Travelling Expenses	13	9
Professional Fees (Includes ₹ 22 crore for SEZ units)	179	204
Charity and Donations	12	9
Labour Processing, Production Royalty and Hire Charges (Includes ₹ 10 crore for SEZ units)	11	1
Bank Charges (Includes ₹ 8 crore for SEZ units)	19	15
General Expenses (Includes ₹ 9 crore for SEZ units)	114	74
Interest Expenses (Includes ₹ 459 crore for SEZ units)	1,501	1,392

Notes on Financial Statements for the Year ended 31st March, 2013

26. EARNINGS PER SHARE (EPS)

		2012-13	2011-12
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	**21,003**	20,040
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	**3,23,99,64,480**	3,27,42,26,242
iii)	Basic and Diluted Earnings per share (₹)	**64.82**	61.21
iv)	Face Value per equity share (₹)	**10.00**	10.00

27. EARNINGS IN FOREIGN EXCHANGE

(₹ in crore)

	2012-13	2011-12
FOB value of exports [Excluding captive transfers to Special Economic Zone of ₹ 21,480 crore (Previous Year ₹ 21,278 crore)]	**2,27,883**	1,98,269
Interest	**2**	1
Others	**207**	204

28. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

			2012-13 (Final Dividend)	2011-12 (Final Dividend)
a)		Number of Non Resident Shareholders	**40,266**	40,493
b)		Number of Equity Shares held by them	**57,01,32,298**	59,71,01,671
c)	(i)	Amount of Dividend Paid (Gross) (₹ in Crore)	**485**	478
	(ii)	Tax Deducted at Source	**-**	-
	(iii)	Year to which dividend relates	**2011-12**	2010-11

29. Fixed assets taken on finance lease prior to 1st April, 2001, amount to ₹ 444 crore (Previous Year ₹ 444 crore). Future obligations towards lease rentals under the lease agreements as on 31st March, 2013 amount to ₹ 2 crore (Previous Year ₹ 3 crore).

(₹ in crore)

	2012-13	2011-12
Within one year (₹ 44,00,000)	**-**	1
Later than one year and not later than five years	**2**	2
TOTAL	**2**	3

003902

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

အမျိုးသားစီမံကိန်းနှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန

ကုမ္ပဏီမှတ်ပုံတင်လက်မှတ်

အမှတ် ....၁၄၇၉...../ ၂၀၀၈ - ၂၀၀၉

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေအရ အမျိုးသားသဘာဝ အရင်းအမြစ်ဖွံ့ ဖြိုးတိုးတက် ...မှုဝန်ဆောင်မှုကုမ္ပဏီ လီမိတက်...အား ပေးရန်တာဝန် ကန့်သတ်ထားသော လီမိတက် ကုမ္ပဏီအဖြစ် ၂၀၀၉ ခုနှစ်၊ ဖေဖော်ဝါရီ လ၊ ..၁၉ ရက်နေ့တွင် မှတ်ပုံတင်ထားခြင်းအား ..၂၀၁၄ခုနှစ်၊ .....ဩဂုတ် လ၊ ...၇ ရက်နေ့မှစ၍ သက်တမ်းတိုး ခွင့်ပြုလိုက်သည်။

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)

(နီလာမူ ၊ ဒုတိယညွှန်ကြားရေးမှူး)

ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန

THE GOVERNMENT OF THE REPUBLIC OF THE UNION OF MYANMAR

MINISTRY OF NATIONAL PLANNING AND ECONOMIC DEVELOPMENT

CERTIFICATE OF INCORPORATION

NO. ....1479......... of 2008 - 2009

I hereby certify that the tenure of ..UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES COMPANY LIMITED.....incorporated under the Myanmar Companies Act on ....19th FEBRUARY, 2009............. is renewed with effected from ....7th AUGUST, 2014.................

For Director General

(Nilar Mu , Deputy Director)

Directorate of Investment and Company Administration

ကုမ္ပဏီနှင့်သက်ဆိုင်သည့်အချက်အလက်များ

(က) အုပ်ချုပ်မှုဒါရိုက်တာအမည်၊ ဦးဇင်မောင်လွင်၊ ၁၂/အစန(နိုင်)၀၀၂၀၀၄

(ခ) ကုမ္ပဏီ ရုံးခန်းလိပ်စာ၊ အမှတ်(၃၅)၊ဧယျသုခ(၃)လမ်း၊အကွက်အမှတ်(၅၄)၊ သုဝဏ္ဏ၊သဃ်န်းကျွန်းမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး။

(ဂ) ဆက်သွယ်ရန် ဖုန်းနံပါတ်၊ ၀၁-၅၆၉၅၅၀၊ ၅၆၉၅၅၁

(ဃ) ဒါရိုက်တာများ အမည်စာရင်း- ၁။ ဦးကျော်ခိုင်သိန်း ၈/ရနခ(နိုင်)၀၂၆၁၈၁

မှတ်ချက်။

(၁) ဤကုမ္ပဏီမှတ်ပုံတင်လက်မှတ်သည်မှတ်ပုံတင်ရက်စွဲ(၁၉-၂-၂၀၁၄)မှ (၁၈-၂-၂၀၁၉)ရက်နေ့အထိ(၅)နှစ်သက်တမ်းအတွက်သာ ဖြစ်သည်။ သက်တမ်း မကုန်ဆုံးမီ (၃)လအလိုတွင် သက်တမ်းတိုးရန် ရင်းနှီးမြှုပ်နှံမှုနှင့် ကုမ္ပဏီများ ညွှန်ကြားမှု ဦးစီးဌာနသို့ လျှောက်ထား ရမည်။

(၂) ကုမ္ပဏီ အနေဖြင့် သင်းဖွဲ့မှတ်တမ်းတွင်အဆိုပြု တင်ပြထားသော လုပ်ငန်းရည်ရွယ်ချက်များကိုသာ လုပ်ကိုင်ရမည်။

(၃) သင်းဖွဲ့မှတ်တမ်းပါ ရည်ရွယ်ချက်များသည် သက်ဆိုင်ရာ ပြည်ထောင်စု ဝန်ကြီးဌာန၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ လုပ်ထုံးလုပ်နည်း များနှင့်အညီ ခွင့်ပြုချက် ရရှိမှသာ ဆောင်ရွက်ခွင့် ရှိမည် ဖြစ်ပါသည်။

(၄) လုပ်ငန်းရည်ရွယ်ချက် ပြောင်းလဲ လုပ်ကိုင်လိုပါက ပြောင်းလဲ လုပ်ကိုင် လိုသည့် လုပ်ငန်း ရည်ရွယ်ချက်များအား သင်းဖွဲ့မှတ်တမ်းတွင် ပြင်ဆင် မှတ်ပုံတင်ရန်အတွက် ဒါရိုက်တာအဖွဲ့(BOD)၏ အထူး အစည်းအဝေး ဆုံးဖြတ်ချက် မှတ်တမ်းနှင့်အတူ ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများ ညွှန်ကြားမှု ဦးစီးဌာန သို့ လျှောက်ထား ရမည်။

ညွှန်ကြားရေးမှူးချုပ် (ကိုယ်စား)
(မော်မော်စိုး၊ လက်ထောက်ညွှန်ကြားရေးမှူး)

လာရောက်ထုတ်ယူသည့်ရက်စွဲ-

11 AUG 2014

(Kamaryut Branch)
615/1,5 1/2 miles,Pyay Road,Kamaryut
Ph : 538072,538073
Fax : 538068

KANBAWZA BANK LTD. KMY Branch

Date : 06 September , 2011

ACCOUNT NO. : 0211130004631

NAME : UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES CO.
NRC : 12/YAKANA(N)020522 , 6/HTAWANA(N)025423
ADDRESS : NO.35,ZAYYA THUKHA 3RD ST,BLK (54) THUWANA THINGANKYUN
PHONE : 569550,569551

Statement Of Transaction For The Date Between 01/09/2011 And 06/09/2011

Date_Time	Description	Withdrawal Amount	Deposit Amount	Balance
01 / 09 / 2011	Opening Balance			100,000.00
06 / 09 / 2011	Online Transfer Credit		50,000,000.00	50,100,000.00
06 / 09 / 2011	Cash Deposit 1		100,000,000.00	150,100,000.00
06 / 09 / 2011	Closing Balance			150,100,000.00

No. of Withdrawals : 0
No. of Deposits : 2

Thank You For Banking With (Kamaryut Branch)

Please report any descrepencies found on your statement immediately.
N.B - Statement will not be sent unless there is a change of transaction.

For (Kamaryut Branch)

Asst: / DY ~~Manager~~
Manager
Kanbawza Bank Ltd.
Kamaryut Branch.

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့် မသက်ဆိုင်သည့်ကုမ္ပဏီ

အမျိုးသား သယံဇာတ အရင်းအမြစ် ဖွံ့ဖြိုးတိုးတက်မှု ဝန်ဆောင်မှု **ကုမ္ပဏီ လီမိတက်**

၏

သင်းဖွဲ့မှတ်တမ်း

နှင့်

သင်းဖွဲ့စည်းမျဉ်းများ

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Memorandum Of Association

AND

Articles Of Association

OF

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES **COMPANY LIMITED**

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့် မသက်ဆိုင်သည့် ကုမ္ပဏီ

အမျိုးသားသဘာဝအရင်းအမြစ် ဖွံ့ဖြိုးတိုးတက်မှု ဝန်ဆောင်မှု ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့မှတ်တမ်း

❖ ❖ ❖ ❖ ❖ ❖ ❖

ကုမ္ပဏီ၏ အမည်သည် " အမျိုးသားသဘာဝအရင်းအမြစ် ဖွံ့ဖြိုးတိုးတက်မှု ဝန်ဆောင်မှု ကုမ္ပဏီ လီမိတက် " ဖြစ်ပါသည်။

ကုမ္ပဏီ၏ မှတ်ပုံတင် အလုပ်တိုက်သည် ပြည်ထောင်စု မြန်မာနိုင်ငံတော်အတွင်း တည်ရှိရမည်။

ကုမ္ပဏီ တည်ထောင်ရခြင်း၏ ရည်ရွယ်ချက်များမှာ တစ်ပက်စာမျက်နှာပါအတိုင်း ဖြစ်ပါသည်။

အစုဝင်များ၏ ပေးရန်တာဝန်ကို ကန့်သတ်ထားသည်။

ကုမ္ပဏီ၏ သတ်မှတ်မတည်ငွေရင်းသည် ကျပ် ၁၀၀၀၀၀၀၀၀၀ /-(ကျပ် သန်း တစ်ရာ တိတိ) ဖြစ်၍ ငွေကျပ် ၁၀၀၀၀/-(ကျပ် တစ်သောင်း တိတိ) တန် အစုရှယ်ယာပေါင်း (၁၀၀၀၀) ခွဲထားပါသည်။ ကုမ္ပဏီ၏ ရင်းနှီးငွေကိုကုမ္ပဏီ၏ စည်းမျဉ်းများနှင့် လက်ရှိတရားဝင် တည်ဆဲဖြစ်နေသော တရားဥပဒေပြဋ္ဌာန်းချက်များနှင့် အညီ အထွေထွေ သင်းလုံးကျွတ် အစည်းအဝေး၌ တိုးမြှင့်နိုင်ခွင့်၊ လျှော့ချနိုင်ခွင့် နှင့် ပြင်ဆင်နိုင်ခွင့် အာဏာရှိစေရမည်။

…ဆက်ပါဝန်ဆောင်မှုလုပ်ငန်းများကို ဖိဖိကာစ်ဦးတည်းဖြစ်စေ၊ မည်သည့်ပြည်တွင်း ပြည်ပပုဂ္ဂိုလ်များနှင့် ဖက်စပ်၍ဖြင့် လုပ်ကိုင်ဆောင်ရွက်ရန်။

(က) အေဂျင်စီလုပ်ငန်းအမျိုးမျိုး၊ ကျွမ်းကျင်မှုအတိုင်ပင်ခံများ၊ လုပ်ငန်းအတိုင်ပင်ခံများ၊ အုပ်ချုပ်မှုအတိုင်ပင်ခံများ အကြံပေး ဝန်ဆောင်မှုလုပ်ငန်းများ၊

(ခ) ကြော်ငြာနှင့် ကြော်ငြာကိုယ်စားလှယ်လုပ်ငန်း၊

(ဂ) ဖျော်ဖြေရေးလုပ်ငန်းနှင့် ယင်းနှင့်ပတ်သက်သည့် လုပ်ငန်းများ၊

(ဃ) ခရီးဝန်ဆောင်မှုလုပ်ငန်းအမျိုးမျိုး၊

(င) သယ်ယူပို့ဆောင်ရေးလုပ်ငန်း (မီးရထားနှင့် လေကြောင်းမှအပ)

(စ) ပုံနှိပ်ထုတ်ဝေခြင်းလုပ်ငန်း၊

(ဆ) တိုင်းတာရေးနှင့် စစ်ဆေးရေးလုပ်ငန်း

(ဇ) စီမံကိန်းသစ်များ၌ ဖြစ်မြောက်နိုင်စွမ်း ရှိ–မရှိ လေ့လာခြင်း၊ စီမံကိန်းပုံစံများ ချမှတ်ခြင်း၊ စီမံကိန်းကုန်ကျစရိတ် ခန့်မှန်းခြင်း နှင့် တန်ဖိုးတွက်ချက်ခြင်းလုပ်ငန်းများ၊

(ဈ) စာရင်းရေးသွင်းခြင်း၊ စာရင်းစစ်ဆေးခြင်းနှင့် ဥပဒေအကြံပေးဝန်ဆောင်မှုလုပ်ငန်းများ၊

(ည) ယာဉ်နှင့် စက်ကိရိယာအမျိုးမျိုး ကြံ့ခိုင်ရေးပြုလုပ်ခြင်း၊ မွမ်းမံခြင်းနှင့် ပြင်ဆင်ခြင်းလုပ်ငန်းများ၊

(ဋ) လျှပ်စစ်နှင့် အီလက်ထရောနစ်ကုန်ပစ္စည်းများ တပ်ဆင်ခြင်း၊ ပြုပြင်ခြင်းနှင့် မွမ်းမံတည်ဆောက်ခြင်းလုပ်ငန်း၊

ကုမ္ပဏီမှ သင့်လျော်လျောက်ပတ်သည်ဟု ယူဆပါက ကုမ္ပဏီ၏စီးပွားရေးလုပ်ငန်းတွင် အကျိုးရှိစေရန်အတွက် မည်သည့်ပုဂ္ဂိုလ်၊ စီးပွားရေးအဖွဲ့အစည်း၊ ကုမ္ပဏီ၊ ဘဏ်၊ သို့မဟုတ်၊ ငွေကြေးအဖွဲ့အစည်းထံမှမဆို ငွေချေးယူ

၃။ ကုမ္ပဏီသည် အထက်ဖော်ပြပါ ရည်ရွယ်ချက်များကို ပြည်ထောင်စုမြန်မာနိုင်ငံတော်အတွင်း၌ဖြစ်စေ၊ အခြားမည်သည့် အရပ်ဒေသ၌ဖြစ်စေ၊ အချိန်ကာလအလိုက် တည်မြဲနေသော တရားဥပဒေ၊ အမိန့်ကြော်ငြာစာများ၊ အမိန့်များက ခွင့်ပြုထားသည့် လုပ်ငန်းများအမှအပ အခြားလုပ်ငန်းများ လုပ်ကိုင်ဆောင်ရွက်ခွင့်မပြုပါ။ ထို့အပြင် ပြည်ထောင်စု မြန်မာနိုင်ငံတော်အတွင်း၌ အချိန်ကာလအားလျော်စွာ တည်မြဲနေသည့် တရားဥပဒေပြဋ္ဌာန်းချက်များ၊ အမိန့်ကြော်ငြာစာများ၊ အမိန့်များနှင့် လျော်ညီသင့်တော် … ခွင့်ပြုထားချက်ရှိမှသာလျှင် လုပ်ငန်းများကို ဆောင်ရွက်မည်ဟု ခြွင်းချက်ထားရှိပါသည်။

အောက်တွင် အမည်၊ နိုင်ငံသား၊ နေရပ်နှင့် အကြောင်းအရာစုံလင်စွာပါသော ဇယားတွင် လက်မှတ်ရေးထိုးသူ ကျွန်ုပ်တို့ ကိုယ်စီကိုယ်ငှသည့် ဤသင်းဖွဲ့မှတ်တမ်းအရ ကုမ္ပဏီတစ်ခုဖွဲ့စည်းရန် လိုလားသည့်အလျောက် ကျွန်ုပ်တို့၏ အမည်အသီးသီးနှင့် ယှဉ်တွဲ၍ပြထားသော အစုရှယ်ယာများကို ကုမ္ပဏီ၏ မတည်ရင်းနှီးငွေတွင် ထည့်ဝင်ရယူကြရန် သဘောတူကြပါသည်။

ခဉ်	အစုထည့်ဝင်သူများ၏ အမည်၊ နေရပ်လိပ်စာနှင့် အလုပ်အကိုင်	နိုင်ငံသားနှင့် အမျိုးသား မှတ်ပုံတင်အမှတ်	ဝယ်ယူသော အစုရှယ်ယာ ဦးရေ	ထိုးမြဲလက်မှတ်
၁။	ဦး နိုင်မင်း ဝင်း အမှတ် (၂၂၃) အခန်းအမှတ် (၆၀၄) ကုန်သည်ကြီးများဘဏ်ဟိုတယ်၊ ဆူး လေ ဘုရား လမ်း၊ ကျောက်တံတား မြို့နယ် ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၁/ရနခ (နိုင်) ၀၀၀၂၅၈	၂၅၀	
၂။	ဦး နိုင် ကျော်လင်း အမှတ် (င/၃၅၁) ၁၄-လမ်း ၊ အနီးသ ၁ (င) ရပ်ကွက်၊ မကွေး မြို့နယ်၊ မကွေး တိုင်း ။ (ကုန်သည်)	မြန်မာ ၈/မကန (နိုင်) ၁၁၃၇၇၁	၂၅၀	
၃။				

ရန်ကုန်။ နေ့စွဲ၊ ၂၀၀၉ ခုနှစ်၊ ဖေဖော်ဝါရီ လ၊ ၃ ရက်။

အထက်ပါလက်မှတ်ရှင်များသည် ကျွန်ုပ်တို့၏ရှေ့မှောက်တွင် လက်မှတ်ရေးထိုးကြပါသည်။

DAW NYUNT MAY
B.Com, C.P.A

မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ

အစုရှယ်ယာများဖြင့် ပေးရန်တာဝန် ကန့်သတ်ထားသော အများနှင့်မသက်ဆိုင်သည့် ကုမ္ပဏီ

အမျိုးသားသဘာဝအရင်းအမြစ်ဖွံ့ဖြိုးတိုးတက်မှု ဝန်ဆောင်မှု ကုမ္ပဏီ လီမိတက်

၏

သင်းဖွဲ့စည်းမျဉ်းများ

ဤသင်းဖွဲ့စည်းမျဉ်းနှင့် လိုက်လျောညီထွေမဖြစ်သည့် စည်းမျဉ်းများမှအပ၊ မြန်မာနိုင်ငံ ကုမ္ပဏီများအက်ဥပဒေ နောက်ဆက်တွဲ ပထမဇယားပုံစံ 'က' ပါ စည်းမျဉ်းများသည် ဤကုမ္ပဏီနှင့် သက်ဆိုင်စေရမည်။ မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေပုဒ်မ ၁၇(၂)တွင် ဖော်ပြပါရှိသည့် မလိုက်နာ မနေရ စည်းမျဉ်းများသည် ဤကုမ္ပဏီနှင့် အစဉ်သဖြင့် သက်ဆိုင်စေရမည်။

အများနှင့် မသက်ဆိုင်သော ကုမ္ပဏီ

ဤကုမ္ပဏီသည် အများနှင့် မသက်ဆိုင်သည့် ကုမ္ပဏီဖြစ်၍ အောက်ပါသတ်မှတ်ချက်များသည် အကျိုးသက်ရောက်စေရမည်။

(က) ဤကုမ္ပဏီက ခန့်အပ်ထားသော ဝန်ထမ်းများမှအပ၊ ဤကုမ္ပဏီ၏ အစုရှင်အရေအတွက်ကို ငါးဆယ်အထိသာ ကန့်သတ်ထားသည်။

(ခ) ဤကုမ္ပဏီ၏ အစုရှယ်ယာ သို့မဟုတ် ဒီဘင်ချာ သို့မဟုတ် ဒီဘင်ချာစတော့(ခ်) တစ်ခုခုအတွက် ငွေထည့်ဝင်ရန်အများပြည်သူတို့အား ကမ်းလှမ်းခြင်းမပြုလုပ်ရန် တားမြစ်ထားသည်။

မ,တည်ရင်းနှီးငွေနှင့် အစုရှယ်ယာ

၁။ ကုမ္ပဏီ၏ သတ်မှတ် မ,တည်ငွေရင်း မှာ ကျပ် ၁၀၀၀၀၀၀၀၀ /-(ကျပ် သန်း တစ်ရာ တိတိ) ဖြစ်၍ ငွေကျပ် ၁၀၀၀၀ /-(ကျပ် တစ်သောင်း တိတိ) တန် အစုရှယ်ယာပေါင်း (၁၀၀၀၀) ခွဲထားပါသည်။ ကုမ္ပဏီ၏ ရင်းနှီးငွေကို ကုမ္ပဏီ၏ စည်းမျဉ်းများ နှင့် လက်ရှိတရားဝင် တည်ဆဲဖြစ်နေသော တရားဥပဒေ ပြဋ္ဌာန်းချက်များနှင့်အညီ အထွေထွေသင်းလုံးကျွတ် အစည်းအဝေး၌ တိုးမြှင့်နိုင်ခွင့်၊ လျှော့ချနိုင်ခွင့်နှင့် ပြင်ဆင်နိုင်ခွင့် အာဏာရှိစေရမည်။

၂။ မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေပါ ပြဋ္ဌာန်းချက်များကို မထိခိုက်စေလျက် အစုရှယ်ယာများသည် ဒါရိုက်တာများ၏ ကြီးကြပ်ကွပ်ကဲမှု အောက်တွင် ရှိစေရမည်။ ၎င်းဒါရိုက်တာများသည် သင့်လျော်သော ပုဂ္ဂိုလ်များအား သတ်မှတ်ချက် အခြေအနေ တစ်စုံတစ်ရာဖြင့် အစုရှယ်ယာများကို ခွဲဝေချထားခြင်း သို့မဟုတ် ထုခွဲရောင်းချခြင်းကို့ကို ဆောင်ရွက်နိုင်သည်။

၅။ အစုရှယ်ယာလက်မှတ်များကို အထွေထွေမန်နေဂျာ သို့မဟုတ် ဒါရိုက်တာအဖွဲ့က သတ်မှတ်သည့် အခြားပုဂ္ဂိုလ်များကလက်မှတ်ရေးထိုး၍ ကုမ္ပဏီ၏တံဆိပ် ရိုက်နှိပ်ထုတ်ပေးရမည်။ အစုရှယ်ယာလက်မှတ်သည် ပုံပန်းပျက်ခြင်း၊ ပျောက်ဆုံးခြင်း သို့မဟုတ် ပျက်စီးခြင်းဖြစ်ပါက အဖိုးအခဖြင့် ပြန်လည်အသစ်ပြုလုပ်ပေးမှုကို သော်လည်းကောင်း၊ ဒါရိုက်တာများက သင့်လျော်သည်ဟု ယူဆသော အခြားသက်သေခံ အထောက်အထား တစ်စုံတစ်ရာကို တင်ပြစေ၍သော်လည်းကောင်း ထုတ်ပေးနိုင်သည်။ ကွယ်လွန်သွားသော အစုရှယ်ယာရှင်တစ်ဦး၏ တရားဝင် ကိုယ်စားလှယ်ကို ဒါရိုက်တာများက အသိအမှတ် ပြုပေးရမည်ဖြစ်သည်။

၆။ ဒါရိုက်တာများသည် အစုရှင်များက ၎င်းတို့၏ အစုရှယ်ယာများအတွက် မပေးသွင်းရသေးသော ငွေများကိုအခါအားလျော်စွာ တောင်းဆိုနိုင်သည်။ အစုရှင်တိုင်းကလည်း ၎င်းတို့ထံတောင်းဆိုသည့် အကြိမ်တိုင်း အတွက် ဒါရိုက်တာများက သတ်မှတ်သည့် ပုဂ္ဂိုလ်များထံ သတ်မှတ်သည့်အချိန်နှင့် နေရာတွင် ပေးသွင်းစေရန် တာဝန်ရှိစေရမည်။ ဆင့်ခေါ်မှုတစ်ခုအတွက် အရစ်ကျပေးသွင်းစေခြင်း၊ သို့မဟုတ် ပယ်ဖျက်ခြင်း သို့မဟုတ် ရွှေ့ဆိုင်းခြင်းတို့ကို ဒါရိုက်တာများက သတ်မှတ်နိုင်သည်။

ဒါရိုက်တာများ

၇။ သင်းလုံးကျွတ် အစည်းအဝေးက တစ်စုံတစ်ရာ သတ်မှတ်ပြဋ္ဌာန်းမှု မပြုလုပ်သမျှ ဒါရိုက်တာများ၏ အရေအတွက်သည် (၂)ဦး ထက်မနည်း၊ (၉) ဦးထက်မများစေရ။

ပထမဒါရိုက်တာများသည် -

(၁) ဦး နိုင်မင်း ဝင်း

(၂) ဦး မိုင် ကျော်လင်း

(၃)

(၄)

(၅) တို့ဖြစ်ကြပါသည်။

၈။ ဒါရိုက်တာများသည် ၎င်းတို့အနက်မှ တစ်ဦးကို မန်နေဂျင်းဒါရိုက်တာအဖြစ် အချိန့်အခါအလိုက် သင့်လျော်သော သတ်မှတ်ချက်များ၊ ဉာဏ်ပူဇော်ခများဖြင့် ခန့်ထားရမည်ဖြစ်ပြီး အခါအားလျော်စွာ ဒါရိုက်တာအဖွဲ့က ပေးအပ်သော အာဏာများ အားလုံးကို ၎င်းက အသုံးပြုနိုင်သည်။

၉။ ဒါရိုက်တာတစ်ဦးဖြစ်မြောက်ရန် လိုအပ်သော အရည်အချင်းသည် ကုမ္ပဏီ၏ အစုရှယ်ယာ အနည်းဆုံး (၁၀)စုကို ပိုင်ဆိုင်ခြင်းဖြစ်၍ ၎င်းသည် မြန်မာနိုင်ငံ ကုမ္ပဏီများအက်ဥပဒေပုဒ်မ ၈၅ ပါ ပြဋ္ဌာန်းချက်များကို လိုက်နာရန် တာဝန်ရှိသည်။

၁၀။ အစုရှယ်ယာများ လွှဲပြောင်းရန် တင်ပြချက်ကို မည်သည့် အကြောင်းပြချက်မျှ မပေးဘဲ ဒါရိုက်တာအဖွဲ့သည် ၎င်းတို့၏ပြည့်စုံ၍ ချုပ်ချယ်ခြင်းကင်းသော ဆင်ခြင်တွက်ဆမှုဖြင့် မှတ်ပုံတင်ရန် ငြင်းဆိုနိုင်သည်။

ဒါရိုက်တာများ၏ ဆောင်ရွက်ချက်များ

၁၁။ ဒါရိုက်တာများသည် ၎င်းတို့သင့်လျော်သည် ထင်မြင်သည့်အတိုင်း လုပ်ငန်းဆောင်ရွက်ရန် တွေ့ဆုံ ဆွေးနွေးခြင်း၊ အစည်းအဝေး ရွှေ့ဆိုင်းခြင်း၊ အချိန်မှန်စည်းဝေးခြင်း၊ အစည်းအဝေးအထမြောက်ရန် အနည်းဆုံး ဒါရိုက်တာဦးရေ သတ်မှတ်ခြင်းတို့ကို ဆောင်ရွက်နိုင်သည်။ ယင်းသို့ မသတ်မှတ်ပါက ဒါရိုက်တာနှစ်ဦး တက်ရောက်လျှင် အစည်းအဝေးထမြောက်ရမည်။ အစည်းအဝေးတွင် မည်သည့်ပြဿနာမဆို ပေါ်ပေါက်ပါက မန်နေဂျင်းဒါရိုက်တာ၏ အဆုံးအဖြတ်သည် အတည်ဖြစ်ရမည်။ မည်သည့် ကိစ္စများကိုမဆို မဲခွဲဆုံးဖြတ်ရာတွင် မဲအရေအတွက် တူနေပါက သဘာပတိသည် ဒုတိယမဲ သို့မဟုတ် အနိုင်မဲကို ပေးနိုင်သည်။

၁၂။ ဒါရိုက်တာများ၏ အစည်းအဝေးကို မည်သည့်ဒါရိုက်တာကမဆို အချိန်မရွေး ခေါ်နိုင်သည်။

၁၃။ ဒါရိုက်တာအားလုံးက လက်မှတ်ရေးထိုးထားသော ရေးသားထားသည့်ဆုံးဖြတ်ချက်တစ်ရပ်သည် နည်းလမ်းတကျ ခေါ်ယူကျင်းပသော အစည်းအဝေးက အတည်ပြုသည့် ဆုံးဖြတ်ချက်ကဲ့သို့ပင် ကိစ္စအားလုံး အတွက် အကျိုး သက်ရောက်စေရမည်။

ဒါရိုက်တာများ၏ လုပ်ပိုင်ခွင့်နှင့်တာဝန်များ

၁၄။ မြန်မာနိုင်ငံ ကုမ္ပဏီများအက်ဥပဒေ နောက်ဆက်တွဲဇယားပုံစံ (က)ပါ စည်းမျဉ်းအပိုဒ် ၇၁ တွင် ပေးအပ်ထားသော အထွေထွေ အာဏာများကို မထိခိုက်စေဘဲ ဒါရိုက်တာများသည် အောက်ဖော်ပြပါ အာဏာများ ရှိရမည်ဟု အတိအလင်း ထုတ်ဖော်ကြေညာသည်။ အာဏာဆိုသည်မှာ –

(၁) ဒါရိုက်တာများက သင့်လျော်သည်ဟုယူဆသော တန်ဖိုးနှင့်စည်းကမ်းများ၊ အခြေအနေများ သတ်မှတ်၍ ကုမ္ပဏီကရယူရန်အာဏာရှိသည့် မည်သည့်ပစ္စည်း၊ အခွင့်အရေးများ၊ အခွင့်အလမ်းများကိုမဆိုဝယ်ယူရန် သို့မဟုတ် အခြားနည်းလမ်းများဖြင့်ရယူပိုင်ဆိုင်ရန်အပြင် ကုမ္ပဏီကပိုင်ဆိုင်ခွင့်ရှိသောမည်သည့်ပစ္စည်း၊ အခွင့်အရေးများ၊ အခွင့်အလမ်းများကိုမဆို သင့်တော်သောစည်းကမ်းချက်များ သတ်မှတ်၍ရောင်းချခြင်း၊ အငှားချခြင်း၊ စွန့်လွှတ်ခြင်း၊ သို့မဟုတ် အခြားနည်းလမ်းများဖြင့် ဆောင်ရွက်ခြင်းတို့ကို ပြုလုပ်ရန်။

(၂) သင့်လျော်သောစည်းကမ်းသတ်မှတ်ချက်များဖြင့်ငွေကြေးများကိုချေးငှားရန် သို့မဟုတ်အဆိုပါချေးငှား သော ငွေကြေးများကို ပြန်လည်ပေးဆပ်ရန်အတွက် အာမခံများထားရှိရန်အပြင်၊ အထူးသဖြင့် ဤကုမ္ပဏီ၏ ဒီဘင်ချာများ၊ ဒီဘင်ချာစတော့(ခ်)များ၊ ခေါ်ယူခြင်းမပြုရသေးသော ရင်းနှီးငွေများအပါအဝင် ယခုလက်ရှိ နှင့် နောင်ရှိမည့် ပစ္စည်းများအားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို အပေါင်ပြု၍ ထုတ်ဝေရန်။

(၃) ဤကုမ္ပဏီက ရယူထားသော အခွင့်အရေးများ သို့မဟုတ် ဝန်ဆောင်မှုများအတွက် အားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို ငွေကြေးအားဖြင့် ပေးချေရန်၊ သို့မဟုတ် အစုရှယ်ယာများ၊ ငွေချေးစာချုပ်များ၊ ဒီဘင်ချာများ သို့မဟုတ် ဤကုမ္ပဏီ၏အခြားသော အာမခံစာချုပ်များကို ထုတ်ပေးရန်၊ ထို့အပြင် အဆိုပါ အစုရှယ်ယာများ ထုတ်ပေးရာ၌ ငွေအပြည့် ပေးသွင်းပြီးသော အစုရှယ်ယာအနေဖြင့် သော်လည်းကောင်း၊ တစ်စိတ်တစ်ဒေသ ပေးသွင်းပြီးသော အစုရှယ်ယာများ အနေဖြင့်သော်လည်းကောင်း သဘောတူညီသကဲ့သို့ ထုတ်ဝေပေးရန်နှင့် အဆိုပါ ငွေချေးစာချုပ်များ၊ ဒီဘင်ချာများ သို့မဟုတ် ကုမ္ပဏီ၏ အခြားသော အာမခံ စာချုပ်များဖြင့် ထုတ်ဝေပေးရာ၌ ခေါ်ဆိုခြင်း မပြုရသေးသော ရင်းနှီးငွေများ အပါအဝင် ဤကုမ္ပဏီ၏ ပစ္စည်းအားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို အပေါင်ပြု၍ဖြစ်စေ၊ ထိုကဲ့သို့မဟုတ်ဘဲဖြစ်စေ ထုတ်ပေးရန်။

(၄) ဤကုမ္ပဏီနှင့် ပြုလုပ်ထားသော ကန်ထရိုက်စာချုပ်များ၊ တာဝန်ယူထားသည့်လုပ်ငန်းများ ပြီးစီးအောင် ဆောင်ရွက်စေခြင်း အလို့ငှာခေါ်ယူခြင်း မပြုရသေးသော ရင်းနှီးငွေများ အပါအဝင် ဤကုမ္ပဏီ၏ ပစ္စည်းရပ်များ အားလုံး သို့မဟုတ် တစ်စိတ်တစ်ဒေသကို ပေါင်နှံ၍ သော်လည်းကောင်း၊ အပေါင်ပြု၍ သော်လည်းကောင်း သို့မဟုတ် အစုရှယ်ယာများအတွက် ငွေများ တောင်းခံခေါ်ယူ၍ သော်လည်းကောင်း ခွင့်ပြုရန် သို့မဟုတ် သင့်လျော်သည့်အတိုင်း ဆောင်ရွက်ရန်။

(၅) မန်နေဂျာများ၊ အတွင်းရေးမှူးများ၊ အရာရှိများ၊ စာရေးများ၊ ကိုယ်စားလှယ်များနှင့် ဝန်ထမ်းများကိုအမြဲတမ်း၊ ယာယီ သို့မဟုတ် အထူးကိစ္စရပ်များအတွက်ခန့်ထားခြင်း၊ ရပ်စဲခြင်း၊ ဆိုင်းငံ့ခြင်းများအတွက်လည်းကောင်း၊ အဆိုပါ ပုဂ္ဂိုလ်တို့၏တာဝန်များ၊ အာဏာများ၊ လစာငွေများ၊ အခြားငွေကြေးများကို သတ်မှတ်ရာ၌ လည်းကောင်း၊ အာမခံပစ္စည်းများ တောင်းခံရာ၌ လည်းကောင်း သင့်လျော်သလို ဆောင်ရွက်ရန်၊ ထို့အပြင် အဆိုပါ ကိစ္စရပ်များတွက် ကုမ္ပဏီ၏ မည်သည့် အရာရှိကိုမဆို ကိစ္စရပ်အားလုံးကိုဖြစ်စေ၊ တစ်စိတ် တစ်ဒေသကို ဖြစ်စေ ဒါရိုက်တာများ၏ကိုယ်စား ဆောင်ရွက်နိုင်ရေးအတွက် တာဝန်လွှဲအပ်ရန်။

(၆) ဤကုမ္ပဏီ၏ ဒါရိုက်တာတစ်ဦးအား ဒါရိုက်တာရာထူးနှင့် တွဲဖက်၍ မန်နေဂျင်း ဒါရိုက်တာ၊ အထွေထွေ မန်နေဂျာ၊ အတွင်းရေးမှူး သို့မဟုတ် ဌာနခွဲ မန်နေဂျာအဖြစ် ခန့်ထားရန်။

(၇) မည်သည့် အစုရှင်ထံမှမဆို ၎င်းတို့၏ အစုရှယ်ယာများအားလုံးကို ဖြစ်စေ၊ အချို့အဝက်ကိုဖြစ်စေ စွန့်လွှတ်ခြင်းအား သဘောတူညီသောစည်းကမ်းများဖြင့် လက်ခံရန်။

(၈) ဤကုမ္ပဏီက ပိုင်ဆိုင်သော သို့မဟုတ် ပိုင်ဆိုင်ခွင့်ရှိသော သို့မဟုတ် အခြားအကြောင်းများကြောင့်ဖြစ်သော မည်သည့် ပစ္စည်းကိုမဆို ကုမ္ပဏီ၏ကိုယ်စား လက်ခံထိန်းသိမ်းထားရန်အတွက် မည်သည့်ပုဂ္ဂိုလ် သို့မဟုတ် ပုဂ္ဂိုလ်များကိုမဆို ခန့်ထားရန်နှင့် အဆိုပါ ယုံမှတ် အပ်နှံခြင်းများနှင့် ပတ်သက်၍ လိုအပ်သော စာချုပ်စာတမ်းများ ချုပ်ဆို ပြုလုပ်ရန်။

(၉) ဤကုမ္ပဏီ၏ အရေးအရာများနှင့် စပ်လျဉ်း၍ ဤကုမ္ပဏီက ပြုလုပ်သော သို့မဟုတ် ဤကုမ္ပဏီအပေါ် သို့မဟုတ် ဤကုမ္ပဏီ၏ အရာရှိများအပေါ် ပြုလုပ်သော တရားဥပဒေအရ စွဲဆို ဆောင်ရွက်မှုများကို တရားစွဲဆို၊ အရေးယူ၊ ခုခံကာကွယ်ရန် သို့မဟုတ် ခွင့်လွှတ်ရန်၊ တို့အပြင် ဤကုမ္ပဏီက ရရန်ရှိသော ကြွေးမြီများနှင့် ဤကုမ္ပဏီအပေါ် တောင်းခံသော ကြွေးမြီများနှင့်ပတ်သက်၍ ပေးဆပ်ရန် အချိန်ကာလ ရွှေ့ဆိုင်းခွင့်ပြုခြင်း သို့မဟုတ် နှစ်ဦးနှစ်ဖက် သဘောတူ ကျေအေးခြင်းများ ပြုလုပ်ရန်။

(၁၀) ဤကုမ္ပဏီက ပေးရန်ရှိသော သို့မဟုတ် ရရန်ရှိသော ငွေတောင်းခံခြင်းများကို ဖြန်ဖြေရေး ခုံသမာဓိထံသို့ ဖြေရှင်းရန်အတွက် အပ်နှံရန်အပြင် ဖြန်ဖြေရေး ခုံသမာဓိ၏ ဆုံးဖြတ်ချက်အတိုင်း လိုက်နာဆောင်ရွက်ရန်။

(၁၁) ဤကုမ္ပဏီကရရန်ရှိသောတောင်းဆိုချက်၊ တောင်းခံချက်များနှင့် ကုမ္ပဏီသို့ပေးရန်ရှိသော ငွေကြေးများအတွက် ပြေစာများ ပြုလုပ် ထုတ်ပေးခြင်း၊ လျှော်ပစ်ခြင်းနှင့် အခြားသောနည်းဖြင့်စွန့်လွှတ်ခြင်းများကို ပြုလုပ်ရန်။

(၁၂) လူမွဲစာရင်းခံရခြင်း၊ ကြွေးမြီး မဆပ်နိုင်ခြင်း ကိစ္စများနှင့် ပတ်သက်၍ ကုမ္ပဏီ၏ကိုယ်စား ဆောင်ရွက်ရန်။

(၁၃) ငွေလွှဲစာတမ်းများ၊ ချက်လက်မှတ်များ၊ ဝန်ခံကတိစာချုပ်များ၊ ထပ်ဆင့် လက်မှတ်ရေးထိုးခြင်းများ၊ လျှော်ပစ်ခြင်းများ၊ ကန့်ထရိုက် စာချုပ်များနှင့်စာရွက်စာတမ်းများကို ကုမ္ပဏီ၏ကိုယ်စား မည်သူက လက်မှတ် ရေးထိုးခွင့်ရှိသည်ကို စိစစ်သတ်မှတ်ရန်။

(၁၄) ဒါရိုက်တာများက သင့်လျော်သည်ဟု ယူဆပါက သင့်လျော် လျောက်ပတ်သောနည်းလမ်းများဖြင့် လတ်တလော အသုံးပြုရန် မလိုသေးသော ကုမ္ပဏီပိုင် ငွေများကို အာမခံပစ္စည်း ပါသည်ဖြစ်စေ၊ မပါသည်ဖြစ်စေ ရင်းနှီးမြှုပ်နှံထားရန်နှင့် စီမံခန့်ခွဲထားရန်။ တို့အပြင် အချိန်ကာလအားလျော်စွာ မြှုပ်နှံထားသောငွေကို ပြန်လည်ရယူရန်နှင့် ပြင်ဆင်ပြောင်းလွှဲရန်။

(၁၅) ဤကုမ္ပဏီ၏ အကျိုးအတွက် ငွေကြေး ဓိုက်ဆုတ် ကုန်ကျခံထားသော ဒါရိုက်တာ သို့မဟုတ် အခြား ပုဂ္ဂိုလ်များက ကုမ္ပဏီ၏ (လက်ရှိနှင့် နောင်တွင်ရှိမည့်) ပစ္စည်းများကို ဤကုမ္ပဏီ၏ အမည်ဖြင့်ဖြစ်စေ၊ ဤကုမ္ပဏီ၏ ကိုယ်စားဖြစ်စေ ပေါင်နှံခြင်းကို သင့်လျော်သည်ဟု ယူဆပါက ဆောင်ရွက်ခွင့်ပြုရန်။ အဆိုပါ ပေါင်နှံခြင်းဆိုရာ၌ ရောင်းချနိုင်သည့် အာဏာနှင့် အခြားသော သဘောတူညီထားသည့် တရားဝင်သဘော တူညီချက်များနှင့် ဥပဒေပြဋ္ဌာန်းချက်များပါ ပါဝင်သည်။

(၁၆) ဤကုမ္ပဏီကခန့်အပ်ထားသော မည်သည့်အရာရှိသို့မဟုတ် ပုဂ္ဂိုလ်ကိုမဆို အထူးအကျဆောင်ရွက်ခဲ့သည့်လုပ်ငန်း သို့မဟုတ် ဆောင်ရွက်မှုတစ်ခုအတွက် ရရှိသော အမြတ်ငွေမှ ကော်မရှင်ပေးခြင်း သို့မဟုတ် ကုမ္ပဏီ၏ အထွေထွေ အမြတ်အစွန်းမှ ခွဲဝေပေး ခြင်းများ ပြုလုပ်ရန်နှင့် အဆိုပါကော်မရှင်များ၊ အမြတ်များခွဲဝေပေးခြင်း စသည်တို့ကို ဤကုမ္ပဏီ၏လုပ်ငန်းကုန်ကျစရိတ် တစ်စိတ်တစ်ဒေသအဖြစ် သတ်မှတ်ရန်။

(၁၇) ဤကုမ္ပဏီ၏လုပ်ငန်းများ၊ အရာရှိများ ဝန်ထမ်းများနှင့် အစုရှင်များအတွက် ထုတ်ပြန်ထားသော စည်းမျဉ်းများ၊ စည်းကမ်းချက်များ၊ စည်းကမ်းဥပဒေများကို အခါအားလျော်စွာ သတ်မှတ်ခြင်း၊ ပြင်ဆင်ခြင်း၊ ဖြည့်စွက်ခြင်းများ ဆောင်ရွက်ရန်။

(၁၈) ဤကုမ္ပဏီ၏လုပ်ငန်းအတွက် ဤကုမ္ပဏီ၏အမည်ဖြင့်ဖြစ်စေ၊ ဤကုမ္ပဏီ၏ကိုယ်စားဖြစ်စေ လိုအပ်သည်ဟု ယူဆလျှင် ညှိနှိုင်းဆွေးနွေးခြင်းနှင့် ကန်ထရိုက်စာချုပ် ချုပ်ဆိုခြင်းများကို ပြုလုပ်ရန်၊ ဖျက်သိမ်းရန်နှင့် ပြင်ဆင်ရန် အပြင် အဆိုပါ ဆောင်ရွက်ချက် စာချုပ်များနှင့် ကိစ္စရပ်များကိုလည်းကောင်း ၎င်းတို့နှင့် စပ်လျဉ်းသော ကိစ္စရပ်များကို လည်းကောင်း လုပ်ကိုင်ဆောင်ရွက်ရန်။

(၁၉) ဒါရိုက်တာများက သင့်လျော်လျောက်ပတ်သည်ဟု ယူဆပါက ကုမ္ပဏီ၏ စီးပွားရေးလုပ်ငန်းတွင် အကျိုးရှိစေရန်အတွက် မည်သည့် ပြည်တွင်းပြည်ပ ပုဂ္ဂိုလ်၊ စီးပွားရေး အဖွဲ့အစည်း၊ ကုမ္ပဏီ သို့မဟုတ် ဘဏ် သို့မဟုတ် ငွေကြေးအဖွဲ့အစည်းထံမှ မဆို ငွေချေးယူရန်။

အထွေထွေအစည်းအဝေးကြီးများ

ကုမ္ပဏီကိုဥပဒေအရ ဖွဲ့စည်းတည်ထောင်ပြီးသည့်နေ့မှ တစ်ဆယ့်ရှစ်လအတွင်း အထွေထွေသင်းလုံးကျွတ် အစည်းအဝေးကြီးကိုကျင်းပရမည်။ ထို့နောက် ဒါရိုက်တာအဖွဲ့က သတ်မှတ်ပေးသည့် အချိန်နှင့် နေရာများတွင် ပြက္ခဒိန်နှစ်တစ်နှစ်လျှင် အနည်းဆုံးတစ်ကြိမ် (နောက်ဆုံးကျင်းပသည့် အထွေထွေအစည်းအဝေးကြီးနှင့် တစ်ဆယ့်ငါးလထက်မပိုသည့်အချိန်၌) ကျင်းပရမည်။ သင်းလုံးကျွတ် အစည်းအဝေးစတင်၍ လုပ်ငန်းအတွက် ဆွေးနွေးချိန်တွင် အစည်းအဝေးအထမြောက်ရန် သတ်မှတ်သည့် အစုရှင်အရေအတွက် မတက်ရောက်သော မည်သည့်သင်းလုံးကျွတ် အစည်းအဝေးတွင်မဆို လုပ်ငန်းနှင့် ပတ်သက်၍ ဆုံးဖြတ်ဆောင်ရွက်ခြင်းမပြုရ။ ဤတွင်အခြားနည်း သတ်မှတ်ပြဋ္ဌာန်းခြင်းမရှိလျှင် ထုတ်ဝေထားသည့် မ,တည် ရင်းနှီးငွေ အစုရှယ်ယာများ၏ ငါးဆယ်ရာခိုင်နှုန်းထက်မနည်း ပိုင်ဆိုင်ကြသည့် (နှစ်ဦးထက်မနည်းသော) အစုရှင်များ ကိုယ်တိုင်တက်ရောက်လျှင် လုပ်ငန်းကိစ္စအားလုံး ဆောင်ရွက်ရန်အတွက် အစည်းအဝေးအထမြောက်သည့်ဦးရေ ဖြစ်သည်။ အကယ်၍ ကုမ္ပဏီတွင်အစုရှင်အရေအတွက် နှစ်ဦးတည်းသာရှိသည့် ကိစ္စတွင်မူ ထိုနှစ်ဦးတည်းသည်ပင်လျှင် အစည်းအဝေး အထမြောက်ရန် သတ်မှတ်သည့် အရေအတွက်ဖြစ်စေရမည်။

အမြတ်ဝေစုများ

သင်းလုံးကျွတ်အစည်းအဝေးတွင် ဤကုမ္ပဏီ၏ အစုရှင်များအား ခွဲဝေပေးမည့် အမြတ်ဝေစုကို ကြေညာရမည်။ သို့ရာတွင် အမြတ်ဝေစုသည် ဒါရိုက်တာများက ထောက်ခံသော ငွေပမာဏထက် မကျော်လွန်စေရ။ သက်ဆိုင်ရာနှစ်၏ အမြတ်ပမာဏ သို့မဟုတ် အခြားမခွဲဝေရသေးသည့် အမြတ်ပမာဏမှအပ အမြတ်ဝေစုကို ခွဲဝေမပေးရ။

ရုံးဝန်ထမ်းများ

ကုမ္ပဏီသည် လုပ်ငန်းရုံးတစ်ခုကို ဖွင့်လှစ်၍ ဆောင်ရွက်မည်ဖြစ်ပြီး အရည်အချင်း ပြည့်မီသူပုဂ္ဂိုလ်တစ်ဦးအား အထွေထွေမန်နေဂျာအဖြစ် ခန့်အပ်ရန်နှင့် အခြားအရည်အချင်း ပြည့်မီသူများအား ရုံးဝန်ထမ်းများအဖြစ် ခန့်အပ်မည်ဖြစ်သည်။ လစာ၊ ခရီးသွားလာစရိတ်နှင့် အခြားအသုံးစရိတ်များကဲ့သို့သော ဥာဏ်ပူဇော်ခများနှင့် အခကြေးငွေများကို ဒါရိုက်တာအဖွဲ့က သတ်မှတ်မည်ဖြစ်ပြီး ၎င်းသတ်မှတ်ချက်များကို သင်းလုံးကျွတ် အစည်းအဝေးက အတည်ပြုရမည်။ အထွေထွေမန်နေဂျာသည် လုပ်ငန်းရုံး၏ ထိရောက်စွာလုပ်ငန်း လည်ပတ်မှုအားလုံးအတွက် တာဝန်ရှိစေရမည်ဖြစ်ပြီး မန်နေဂျင်း ဒါရိုက်တာအားတာဝန်ခံ၍ ဆောင်ရွက်ရမည်။

စာရင်းများ

ဒါရိုက်တာများသည် သင့်လျော်သည့် ငွေစာရင်းစာအုပ်များကို အောက်ဖော်ပြပါ သတ်မှတ်ချက်များနှင့်အညီ ထားသိုထိန်းသိမ်း ဆောင်ရွက်ရမည်။

(၁) ကုမ္ပဏီ၏ ရငွေ၊ သုံးငွေများ၏ ပမာဏနှင့် ၎င်းရငွေ၊ သုံးငွေများ ဖြစ်ပေါ်ခြင်းနှင့် စပ်လျဉ်းသည့် အကြောင်းကိစ္စများ။

(၂) ကုမ္ပဏီ၏ ကုန်ပစ္စည်းများ ရောင်းချခြင်းနှင့် ဝယ်ယူခြင်းများ။

(၃) ဤကုမ္ပဏီ၏ ရရန်ပိုင်ခွင့်နှင့် ပေးရန်တာဝန်များ။

ငွေစာရင်းစာအုပ်အားလုံးကို ဤကုမ္ပဏီ၏ မှတ်ပုံတင်ထားသော လုပ်ငန်းရုံး သို့မဟုတ် ဒါရိုက်တာများက သင့်လျော်သည်ဟု ထင်မြင်ယူဆသော အခြားနေရာတွင် သိမ်းဆည်းထားရမည်ဖြစ်ပြီး၊ ရုံးချိန်အတွင်း၌ ဒါရိုက်တာများက စစ်ဆေးနိုင်ရန် ပြသထားရမည်။

စာရင်းစစ်

စာရင်းစစ်များကို ခန့်အပ်ထားရမည်။ ၎င်းစာရင်းစစ်များ၏ တာဝန်သည် မြန်မာနိုင်ငံ ကုမ္ပဏီများ အက်ဥပဒေ သို့မဟုတ် အခါအားလျော်စွာ ပြင်ဆင်သတ်မှတ်သည့် စည်းမျဉ်း စည်းကမ်းများနှင့် လိုက်လျောညီထွေ ဖြစ်ရမည်။

နို့တစ်စာ

၂၁။ ဤကုမ္ပဏီသည် မည်သည့်အစုရှင်ထံသို့မဆို နို့တစ်စာကို လက်ရောက်ပေးအပ်ခြင်း သို့မဟုတ် နို့တစ်စာပါသော စာကို စာတိုက်ခ ကြိုတင်ပေးထား၍ ၄င်းအစုရှင်ထံ မှတ်ပုံတင်လိပ်စာအတိုင်း စာတိုက်မှတစ်ဆင့် လိပ်မူ ပေးပို့ခြင်းအားဖြင့် ပေးပို့နိုင်သည်။

တံဆိပ်

၂၂။ ဒါရိုက်တာများသည် တံဆိပ်ကို လုံခြုံစွာထိန်းသိမ်းထားရန်အတွက် စီမံဆောင်ရွက်ရမည်။ ထိုတံဆိပ်ကို ဒါရိုက်တာများကကြိုတင်ပေးအပ်ထားသည့် ခွင့်ပြုချက်ဖြင့်မှတစ်ပါး၊ ထို့အပြင် အနည်းဆုံး ဒါရိုက်တာတစ်ဦး ရှေ့မှောက်တွင်မှ တစ်ပါး မည်သည့်အခါမျှ မသုံးရ။ တံဆိပ်ရိုက်နှိပ်ထားသည့် စာရွက်စာတမ်းတိုင်းတွင် ထိုဒါရိုက်တာက လက်မှတ်ရေးထိုးရမည်။

လျော်ကြေး

၂၃။ မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေ ပုဒ်မ ၈၆ (ဂ) တွင် ဖော်ပြပါရှိသည့် ပြဋ္ဌာန်းချက်များ၊ လက်ရှိတရားဝင် တည်ဆဲဥပဒေပြဋ္ဌာန်းချက်များနှင့် မဆန့်ကျင်စေဘဲ ကုမ္ပဏီ၏ ဒါရိုက်တာ၊ စာရင်းစစ်၊ အတွင်းရေးမှူး သို့မဟုတ် အခြားအရာရှိ တစ်ဦးဦးမှာ မိမိ၏ တာဝန် ဝတ္တရားများကို ဆောင်ရွက်ရာ၌ဖြစ်စေ၊ ထိုတာဝန် ဝတ္တရားများနှင့် စပ်လျဉ်း၍ဖြစ်စေ ကျခံခဲ့ရသည့်စရိတ်များ၊ တောင်းခံငွေများ၊ ဆုံးရှုံးငွေများ၊ ကုန်ကျငွေများနှင့် ကြွေးမြီတာဝန်များ အတွက် ကုမ္ပဏီထံမှ လျော်ကြေး ရထိုက်ခွင့်ရှိစေရမည်။

ဖျက်သိမ်းခြင်း

၂၄။ ကုမ္ပဏီ၏ အထွေထွေအစည်းအဝေး ဆုံးဖြတ်ချက်ဖြင့် ကုမ္ပဏီအား ဖျက်သိမ်းနိုင်သည်။ ယင်းသို့ ဖျက်သိမ်းရာတွင် မြန်မာနိုင်ငံကုမ္ပဏီများ အက်ဥပဒေများနှင့် ယင်းဥပဒေများအား အခါအားလျော်စွာ ပြင်ဆင်ပြောင်းလဲထားသည့် တရားဥပဒေများတွင် ပါဝင်သည့် စည်းမျဉ်းများအတိုင်း လိုက်နာပြုလုပ်ရမည်။

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အောက်တွင် အမည်၊ နိုင်ငံသား၊ နေရပ်နှင့် အကြောင်းအရာ စုံလင်စွာပါသော ဇယားတွင် လက်မှတ်ရေးထိုးသူ ကျွန်ုပ်တို့ ကိုယ်စီကိုယ်ငှသည့် ဤသင်းဖွဲ့စည်းမျဉ်းအရ ကုမ္ပဏီတစ်ခုဖွဲ့စည်းရန် လိုလားသည့်အလျောက် ကျွန်ုပ်တို့၏ အမည်အသီးသီးနှင့် ယှဉ်တွဲ၍ ပြထားသော အစုရှယ်ယာများကို ကုမ္ပဏီ၏ မတည်ရင်းနှီးငွေတွင် ထည့်ဝင်ရယူကြရန် သဘောတူကြပါသည်။

စဉ်	အစုထည့်ဝင်သူများ၏ အမည်၊ နေရပ်လိပ်စာနှင့် အလုပ်အကိုင်	နိုင်ငံသားနှင့် အမျိုးသား မှတ်ပုံတင်အမှတ်	ဝယ်ယူသော အစုရှယ်ယာ ဦးရေ	ထိုးမြဲလက်မှတ်
၁။	ဦး နိုင်မင်း ဝင်း အမှတ်(၂၂၃) အခန်းအမှတ်(ဒ၀၄) ကုန်သည်ကြီးများဟိုတယ်၊ ဆူးလေ ဘုရားလမ်း၊ ကျောက်တံတားမြို့နယ်၊ ရန်ကုန်မြို့။ (ကုန်သည်)	မြန်မာ ၈/ဂုနခ (နိုင်) ၀၈၀၂၃၈	၂၅၀	(signature)
၂။	ဦး ခိုင်ကျော်လင်း အမှတ်(၈/၃၅၁) ၁၄-လမ်း၊ ကန်သာ(၈) ရပ်ကွက်၊ မကွေး မြို့နယ်၊ မကွေး တိုင်း။ (ကုန်သည်)	မြန်မာ ၈/မကန (နိုင်) ၁၁၃၇၇၁	၂၅၀	(signature)
၃။				

ရန်ကုန်။ နေ့စွဲ၊ ၂၀၀၉ ခုနှစ်၊ ဖေဖေါ်ဝါရီလ၊ ၃ ရက်။

အထက်ပါ လက်မှတ်ရှင်များသည် ကျွန်ုပ်၏ ရှေ့မှောက်တွင် လက်မှတ်ရေးထိုးကြပါသည်။

DAW NYUNT MAY
B.Com., C.P.A

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Memorandum Of Association

OF

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES **COMPANY LIMITED**

❖ ❖ ❖ ❖ ❖ ❖ ❖

I. The name of the Company is UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES **COMPANY LIMITED.**

II. The registered office of the Company will be situated in the Union of Myanmar.

III. The objects for which the Company is established are as on the next page.

IV. The liability of the members is limited.

V. The authorised capital of the Company is Ks. 100,000,000 /- (Kyats One Hundred Million Only) divided into (10000) shares of Ks. 10,000 /- (Kyats Ten Thousand Only) each, with power in General Meeting either to increase, reduce or alter such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf.

To carry on the following services either solely on its own or in joint-venture, with any foreign or local partners -

(a) All kinds of agency business, technical consultants, business consultants, management consultants and advisory services.

(b) Advertising and its agency business.

(c) Business of entertainments and related activities.

(d) Business of all kinds of medical services.

(e) Business of transportation (except railways and airways)

(f) Business of printing and publishing.

(g) Business of surveying and inspection.

(h) Business of feasibility study on new projects, projects formulation, project appraisal and project evaluation.

(i) Business of Account writing, Auditing and legal advisory servlces.

(j) Business of servicing, maintenance of repairing of all kinds of vehicles and machines.

(k) Business of installation, maintenance and renovation of electrical and electronic goods.

(2) To borrow money for the benefit of the Company's business from any person, firm, company, bank or financial organization in the manners that the Company shall think fit.

PROVISO: - *Provided that the Company shall not exercise any of the above objects whether in the Union of Myanmar or elsewhere, save in so far as it may be entitled so as to do in accordance with the Laws, Orders and Notifications in force from time to time and then only subject to such permission and or approval as may be prescribed by the Laws, Orders and Notifications of the Union of Myanmar for the time being in force.*

We, the several persons, whose names, nationalities, addresses and descriptions are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sr. No:	Name, Address and Occupation of Subscribers	Nationality & N. R. C No.	Number of shares taken	Signatures
1.	U Naing Min Win No(223),Room No(604),Traders Hotel,Sule Pagoda Road,Kyauktada Township,Yangon. (Merchant)	Myanmar 8/Ya Na Kha (Naing) 080258	250	[signature]
2.	U Khaing Kyaw Lin No(E/351),14th Street,Kanthar(E) Quarter,Magwe Township,Magwe Division. (Merchant)	Myanmar 8/Ma Ga Na (Naing) 113771	250	[signature]
3.				

Yangon. Dated the 3 day of February 20 09

It is hereby certified that the persons mentioned above put their signatures in my presence.

DAW NYUNT M
B.Com, C.P.A
Registered Auditor & Acc

THE MYANMAR COMPANIES ACT

PRIVATE COMPANY LIMITED BY SHARES

Articles Of Association

OF

UNITED NATIONAL RESOURCES DEVELOPMENT SERVICES **COMPANY LIMITED**

❖ ❖ ❖ ❖ ❖ ❖ ❖

1. The regulations contained in Table 'A' in the First Schedule to the Myanmar Companies Act shall apply to the Company save in so far as such regulations which are inconsistent with the following Articles. The compulsory regulations stipulated in Section 17 (2) of the Myanmar Companies Act shall always be deemed to apply to the Company.

PRIVATE COMPANY

2. The Company is to be a Private Company and accordingly following provisions shall have effect:-

(a) The number of members of the Company, exclusive of persons who are in the employment of the Company, shall be limited to fifty.

(b) Any invitation to the public to subscribe for any share or debenture or debenture stock of the Company is hereby prohibited.

CAPITAL AND SHARES

3. The Authorised Capital of the Company is Ks. 100,000,000 /- (Kyats One Hundred Million Only) divided into(10000) shares of K. 10,000 /- (Kyats Ten Thousand Only) each, with power in General Meeting either to increase, reduce or alter such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf.

Subject to the provisions of the Myanmar Companies Act the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons and on such terms and conditions as they may determine.

The certificate of title to share shall be issued under the Seal of the Company, and signed by the General Manager or some other persons nominated by the Board of Directors. If the share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity as the Directors may think fit. The legal representative of a deceased member shall be recognised by the Directors.

The Directors may, from time to time make call upon the members in respect of any money unpaid on their shares, and each member shall be liable to pay the amount of every call so made upon him to the persons, and at the times and places appointed by the Directors. A call may be made payable by instalments or may be revoked or postponed as the Directors may determine.

DIRECTORS

Unless otherwise determined by a General Meeting the number of Directors shall not be less than (2) and not more than (9).

The First Directors shall be:-

(1) U Naing Min Win

(2) U Khaing Kyaw Lin

(3)

(4)

(5)

The Directors may from time to time appoint one of their body to the office of the Managing Director for such terms and at such remuneration as they think fit and he shall have all the powers delegated to him by the Board of Directors from time to time.

The qualification of a Director shall be the holding of at least (10) shares in the Company in his or her own name and it shall be his duty to comply with the provision of Section (85) of the Myanmar Companies Act.

The Board of Directors may in their absolute and uncontrolled discretion refuse to register any proposed transfer of shares without assigning any reason.

PROCEEDINGS OF DIRECTORS

The Director may meet together for the despatch of business, adjourn and otherwise regulate their meeting as they think fit and determine the quorum necessary for the transaction of business. Unless otherwise determined, two shall form a quorum. If any question arising at any meeting the Managing Director's decision shall be final. When any matter is put to a vote and if there shall be an equality of votes, the Chairman shall have a second or casting vote.

Any Director may at any time summon a meeting of Directors.

13. A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed out at meeting of the Directors, duly called, held and constituted.

POWERS AND DUTIES OF DIRECTORS

14. Without prejudice to the general power conferred by Regulation 71 of the Table "A" of the Myanmar Companies Act, it is hereby expressly declared that the Directors shall have the following powers, that is to say power:-

(1) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price, and generally on such terms and conditions as they think fit; also to sell, lease, abandon or otherwise deal with any property, rights or privileges to which the Company may be entitled, on such terms and conditions as they may think fit.

(2) To raise, borrow or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stocks of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

(3) At their discretion, to pay for any rights acquired or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(4) To secure the fulfilment of any contract or engagement entered into by the Company by mortgage or charge upon all or any of the property of the Company and its uncalled capital for the time being or by granting calls on shares or in such manner as they may think fit.

(5) To appoint at their discretion, remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and Servants for permanent, temporary or special services as they may from time to time think fit and to determine their duties and powers and fix their salaries or emoluments and to require security in such instances in such amount as they think fit and to depute any officers of the Company to do all or any of these things on their behalf.

(6) To appoint a Director as Managing Director, General Manager, Secretary or Departmental Manager in conjunction with his Directorship of the Company.

(7) To accept from any member on such terms and conditions as shall be agreed on the surrender of his shares or any part thereof.

(8) To appoint any person or persons to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust.

(9) To institute, conduct, defend of abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due to or of any claims and demands by or against the Company.

(10) To refer claims and demands by or against the Company to arbitration and to observe and perform the awards.

(11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

(12) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.

(13) To determine who shall be entitled to sign bills of exchange, cheques, promissory notes, receipts, endorsements, releases, contracts and documents for or on behalf of the Company.

(14) To invest, place on deposit and otherwise deal with any of the moneys of the Company not immediately required for the purpose thereof, upon securities or without securities and in such manners as the Directors may think fit, and from time to time vary or realize such investments.

(15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.

(16) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profit of the Company and such commission or share of profit shall be treated as part of the working expenses of the Company.

(17) From time to time, to make, vary and repeal bye-laws for the regulation of the business of the Company, the officers and servants or the members of the Company or any section thereof.

(18) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matter aforesaid or otherwise for the purposes of the Company.

(19) To borrow money for the benefit of the Company's business from any person, firm or company or bank or financial organization of local and abroad in the manner that the Directors shall think fit.

GENERAL MEETINGS

15. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter at least once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and places as may be fixed by the Board of Directors. No business shall be transacted at any general meeting unless a quorum of members is presented at the time when the meeting proceeds to business, save as herein otherwise provided Member holding not less than 50 percent of the issued shares capital (not less than two members) personally present, shall form a quorum for all purposes. And if and when in the case of there are only two number of members in the Company, those two members shall form a quorum.

DIVIDENDS

16. The Company in general meeting may declare a dividend to be paid to the members, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be paid otherwise than out of the profits of the year or any other undistributed profits.

OFFICE STAFF

17. The Company shall maintain an office establishment and appoint a qualified person as General Manager and other qualified persons as office staffs. The remunerations and allowances such as salaries, travelling allowances and other expenditures incidental to the business shall be determined by the Board of Directors, and approved by the general meeting. The General Manager shall be responsible for the efficient operation of the office in every respect and shall be held accountable at all times to the Managing Director. .

ACCOUNTS

18. The Directors shall cause to be kept proper books of account with respect to:-

(1) *all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place;*

(2) *all sales and purchases of goods by the Company;*

(3) *all assets and liabilities of the Company.*

19. The books of account shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be opened to inspection by the Directors during office hours.

AUDIT

20. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Myanmar Companies Act or any statutory modifications thereof for the time being in force.

NOTICE

21 A notice may be given by the Company to any member either personally or sending it by post in a prepaid letter addressed to his registered address.

THE SEAL

22. The Directors shall provide for the safe custody of the Seal, and the Seal shall never be used except by the authority of the Directors previously given, and in the presence of one Director at least, who shall sign every instrument to which the Seal is affixed.

INDEMNITY

23. Subject to the provisions of Section 86 (C) of the Myanmar Companies Act and the existing laws, every Director, Auditor, Secretary or other officers of the Company shall be entitled to be indemnified by the Company against all costs, charges. losses, expenses and liabilities incurred by him in the execution and discharge of the duties or in relation thereto.

WINDING-UP

24. Subject to the provisions contained in the Myanmar Companies Act and the statutory modification thereupon, the Company may be wound up voluntarily by the resolution of General Meeting.

❖ ❖ ❖ ❖

We, the several persons, whose names, nationalities, addresses and descriptions are subscribed below, are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sr. No:	Name, Address and Occupation of Subscribers	Nationality & N. R. C. No.	Number of shares taken	Signatures
1.	U Naing Min Win No(223),Room No(604),Traders Hotel,Sule Pagoda Road,Kyauktada Township,Yangon. (Merchant)	Myanmar 8/Ya Na Kha (Naing) 080258	250	[signature]
2.	U Khaing Kyaw Lin No(E/351),14th Street,Kanthar(E) Quarter,Magwe Township,Magwe Division. (Merchant)	Myanmar 8/Ma Ga Na (Naing) 113771	250	[signature]
3.				

ngon. Dated the 3 day of February 200 9

's hereby certified that the persons mentioned above their signatures in my presence.

DAW NYUNT MAY
B.Com, C.P.A

မုတ္တမကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-2 ၌ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နယ်သာလန်နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V. နှင့် ဗီယက်နမ်နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Corporation Ltd. တို့သည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများ ဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်ကို လက်မှတ်ရေးထိုးချုပ်ဆိုမည် ဖြစ်ပါသည်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

ပြုလုပ်ရန် ကမကထပြုသူ၏ ဆောင်ရွက်ရန်

အဆိုပြုချက်

PROPOSAL OF THE PROMOTER TO MAKE

FOREIGN INVESTMENT IN THE

REPUBLIC OF THE UNION OF MYANMAR

Form (I)

Proposal Form of Promoter for the Investment to be made in the Republic of the Union of Myanmar

To.

Chairman,

Myanmar Investment Commission,

Reference No. 008/919/P(157 /2015)

Date. 11 March, 2015.

I do apply for the permission to make investment in the Republic of the Union of Myanmar in accordance with the Foreign Investment Law by furnishing the following particulars-

1. Promoter's-

(a)	Name	DIRECTOR GENERAL.
(b)	Father's name	ENERGY PLANNING DEPARTMENT.
(c)	National Registration No.	MINISTRY OF ENERGY.
(d)	Citizenship	MYANMAR.
(e)	Address	BUILDING NO.6, NAY PYI TAW, MYANMAR.
(f)	Name of principle organization	MINISTRY OF ENERGY.
(g)	Type of business	PETROLEUM EXPLORATION AND DEVELOPMENT.
(h)	Principle company's address	BUILDING NO.6, NAY PYI TAW, MYANMAR.

2. If the investment business is formed under Joint Venture, partners-

(a)	Name	ENI MYANMAR B.V. + PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.
(b)	Father's name	ENI MYANMAR B.V. + PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

(c) National Registration No. Netherlands (57919127) and Vietnam (0100150908)

(d) Citizenship DUTCH and VIETNAM

(e) Address -

(i) Address in Myanmar - ENI MYANMAR B.V.
Sakura Tower, No. 0602,
339 Bogyke Aung San Road,
Kyauktada Township, Yangon, Myanmar
TEL: +95 01 255369
FAX: + 95 01 255360

- PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.
1A/23 Mya Thida Villa, 9 Quarter, South Okkalapa, Yangon, Myanmar
TEL: +095 18 500 397
FAX: +095 18 500 396

(ii) Residence abroad - ENI MYANMAR B.V.
WTC-B-Tower , Strawinskylaan 1725
1077 XX Amsterdam, The Netherlands
FAX: +31 20 570 7170

- PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.
26th Floor, Chamrvit Tower,
117 Tran Duy Hung Str., Cau Giay Dist.
Hanoi, S.R. Vietnam
TEL: +84 4 37 726 001
FAX: +84 4 37 726 027

(f) Parent company - Eni International B.V.
- VIETNAM OIL AND GAS GROUP (PETROVIETNAM)

(g) Type of business PETROLEUM.

(h) Parent company's address - Eni International B.V.
WTC-Tower B, Strawinskylaan 1725
1077 XX Amsterdam, The Netherlands
FAX: +31 20 570 7170

- VIETNAM OIL AND GAS GROUP (PETROVIETNAM)
Petrovietnam Commercial Tower,

18 Lang Ha Str., Ba Dinh dist.
Hanoi, S.R. Vietnam
TEL: +84 4 38 252 526
FAX: +84 4 38 265 942

Remark: The following documents need to attach according to the above paragraph (1) and (2):-

(1) Company registration certificate (copy);
(2) National Registration Card (copy) and passport (copy);
(3) Evidences about the business and financial conditions of the participants of the proposed investment business;

3. Type of proposed investment business -
   (a) Production — PETROLEUM
   (b) Service business related with manufacturing
   (c) Service
   (d) Others

Remark: Expressions about the nature of business with regard to the above paragraph (3)

4. Type of business organization to be formed:-
   (a) One hundred percent
   (b) Joint Venture
      (i) Foreigner and citizen — ENI MYANMAR B.V. 80%, PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. 20%
      (ii) Foreigner and Government department/organization — IN COMMERCIAL PRODUCTION PERIOD MYANMA OIL AND GAS ENTERPRISE 20%, THE REST 80% (ENI MYANMAR B.V.64 %, PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. 16%)
   (c) By contractual basis
      (i) Foreigner and citizen
      (ii) Foreigner and Government department/organization
      (to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

Remark: The following information needs to attach for the above Paragraph(4):-

(i) Share ratio for the authorized capital from abroad and local, names, citizenships, addressed and occupations of the directors;

(ii) Joint Venture Agreement (Draft) and recommendation of the Union Attorney General Office if the investment is related with the State;

(iii) Contract (Agreement) (Draft)

5. Particulars relating to company incorporation -

(a) Authorized Capital

(b) Type of share PRODUCTION SHARING CONTRACT.

(c) Number of shares

Remark: Memorandum of Association and Articles of Association of the Company shall be submitted with regard to above paragraph 5.

6. Particulars relating to capital of the investment business-

		Kyat/US$ (Million)
(a)	Amount of local capital to be contributed	
(b)	Amount of foreign capital To be brought in	219.85 MMUS$
	Total	**219.85 MMUS$**

(c) Annually or period of proposed capital to be brought in - 2015 to 2023

(d)	Last date of capital brought in	2023
(e)	Proposed duration of investment	8 Year
(f)	Commencement date of construction	2015
(g)	Construction period	2015 to 2023

Remark: Describe with annexure if it is required for the above Para 6(c).

7. Detail list of foreign capital to be brought in -

		Foreign Currency (Million)	Equivalent Kyat (Million)
(a)	Foreign currency (Type and amount)	219.85 MMUS$	
(b)	Machinery and equipment and		

Value (to enclose detail list) WILL BE FURNISHED LATER.

(c) List of initial raw materials and Value (to enclose detail list)

(d) Value of license, intellectual Property, industrial design, trade mark, patent rights, etc.

(e) Value of technical know-how

(f) Others

Total **219.85 MMUS$**

Remark: The evidence of permission shall be submitted for the above para 7 (d) and (e).

8. Details of local capital to be contributed -

Kyat (Million)

(a) Amount

(b) Value of machinery and equipment (to enclose detail list) WILL BE FURNISHED LATER.

(c) Rental rate for building / and

(d) Cost of building construction

(e) Value of furniture and assets (to enclose detail list) WILL BE FURNISHED LATER.

(f) Value of initial raw material requirement (to enclose detail list)

(g) Others

Total

9. Particulars about the investment business –

(a) Investment location(s)/place DEEP WATER BLOCK MD-2,

(b) Type and area requirement for land or land and building

(i) Location MOATTAMA OFFSHORE AREA

(ii) Number of land/building and area

(iii) Owner of the land

(aa) Name/company/department

(bb) National Registration Card No.

(cc) Address

(iv) Type of land

(iv) Period of land lease contract

(vi) Lease period

(vii) Lease rate

(aa) Land

(bb) Building

(viii) Ward

(ix) Township

(x) State/Region

(xi) Lessee

(aa) Name/Name of Company/Department

(bb) Father's name

(cc) Citizenship

(dd) ID No./Passport No.

(ee) Residence Address

Remark: Following particulars have to enclosed for above Para 9(b)

(i) to enclose land map, land ownership and ownership evidences ;

(ii) draft land lease agreement, recommendation from the Union Attorney General if the land is related to the State ;

(c) Requirement of building to be constructed;

(i) Type/number of building

(ii) Area

(d) Product to be produced/Service

(i) Name of product

(ii) Estimate amount to be produced annually

(iii) Type of service CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(v) Estimate value of service annually

Remark: Detail list shall be enclosed with regard to the above para 9 (d).

(e) Annual requirement of materials/raw materials.

Remark: According to the above para 9(e) detail list of products in terms of type of products, quantity, value, technical specifications for the production shall be listed and enclosed.

(f) Production system

(g) Technology

(h) System of sales EXPORT & DOMESTIC SALES TO MYANMA OIL AND GAS ENTERPRISE

(i) Annual fuel requirement
(to prescribe type and quantity)

(j) Annual electricity requirement OWN GENERATOR

(k) Annual water requirement
(to prescribe daily requirement, if any)

10. Detail information about financial standing -

(a) Name/company's name - ENI MYANMAR B.V.
-PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

(b) ID No./ National Registration Card No./Passport No.

(c) Bank Account No.

Remark: To enclose bank statement from resident country or annual audit report of the principle company with regard to the above para 10.

11. Number of personnel required for the proposed economic activity:

(a) Local personnel ( ) number ( )%
WILL BE FURNISHED LATER.

(b) Foreign experts and technicians ( ) number ( )%
WILL BE FURNISHED LATER.

(Engineer, QC, Buyer, Management, etc. based on the nature of business and required period)

Remark: As per para 11 the following information shall be enclosed:-

(i) Number of personnel, occupation, salary, etc;
(ii) Social security and welfare arrangements for personnel;
(iii) Family accompany with foreign employee ;

12. Particulars relating to economic justification :-

			Foreign Currency	Equivalent Estimated Kyat	
		Period (2 Yrs)	Initial Exploration Period (3Yrs)	1st Extension Period (2Yrs)	2nd Extension Period (1Yr)
(a)	Annual income		-	-	-
(b)	Annual expenditure (MMUS$)	5.50	75.50	62.00	60.00
(c)	Annual net profit		-	-	-
(d)	Yearly investments (MMUS$)	5.50	75.50	62.00	60.00
(e)	Recoupment period		-	-	-
(f)	Other benefits (to enclose detail calculation)		-	-	-

13. Evaluation of environmental impact:- WILL BE FURNISHED LATER.

(a) Organization for evaluation of environmental assessment;

(b) Duration of the evaluation for environmental assessment; EIA/SIA 6 MONTHS (0.75 MMUS$)

(c) Compensation programme for environmental damages

(d) Water purification system and waste water treatment system;

(e) Waste management system;

(f) System for storage of chemicals

14. Evaluation on social impact assessments; WILL BE FURNISHED LATER.

(a) Organization for evaluation of social impact assessments;

(b) Duration of the evaluation for social impact assessments; EIA/SIA 6 MONTHS

(d) Corporate social responsibility programme;

Signature

Name U Pe Zin Tun

Designation Director General

Energy Planning Department

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MEMORANDUM OF AGREEMENT

between

ENI MYANMAR BV

and

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

IN RELATION TO POSSIBLE JOINT BIDS FOR
BLOCK MD-2
DEEPWATER OFFSHORE MYANMAR

DATED *11 November* **2013**

This Memorandum of Agreement ("Memorandum") is entered into on this _14_ day of _Nov_ 2013 ("Effective Date") by and between:

ENI MYANMAR BV a company incorporated in The Netherlands having its main office at Strawinskylaan 1725, 1077 XX Amsterdam, The Netherlands ("**Eni**");

and

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD., a company incorporated and operating under the laws of the Socialist Republic of Viet Nam, with its registered office at 26th Floor, Charmvit Tower, No. 117 Tran Duy Hung Street, Cau Giay District, Hanoi, S.R. Viet Nam ("**PVEP**").

Eni and PVEP may hereinafter be referred collectively as "Parties" and individually as a "Party".

WHEREAS:

(A) Each Party has pre-qualified to participate in the Myanmar offshore blocks bidding round announced on **11th** April 2013 (**"Offshore Bid Round"**);

(B) The Parties are willing to establish a long standing and fruitful relationship through the implementation of joint initiatives to explore and exploit the offshore hydrocarbon potential in Myanmar.

(C) The Parties have entered into discussions regarding participation in possible joint bids of Offshore Bid Round and have expressed their intention to jointly pursue the bid to conduct petroleum operation in block MD-2, Deep Water Offshore Myanmar (the "Joint Bid") and enter into the production sharing contract with Myanmar Oil and Gas Enterprise ("MOGE") (hereinafter referred to as "PSC") if the PSC is awarded to the Parties.

NOW THEREFORE, in view of the above the Parties hereby agree as follows:

1 **Scope**

This Memorandum provides a framework for cooperation with regard to the participation in the possible Joint Bid applying the main principles outlined herein.

2 **Participating Interests and Operator**

The Parties shall have the following participating interests ("Participating Interests"):

- Eni (or its affiliate): eighty percent (80%) participating interest representing the joint venture as application operator;
- PVEP: twenty percent (20%) participating interest.

The participating interests may be adjusted as provided in this agreement and the joint operating agreement (**"JOA"**), or as may otherwise be agreed in writing by the Parties from time to time.

In case of a successful joint bid Eni shall be designated as the operator under the PSC and the JOA and shall act as the lead negotiator in negotiations of the production sharing contract with the competent Myanmar authorities.

Unless otherwise provided in this Memorandum, all the rights and interests in and under the Memorandum shall be owned by the Parties according to their respective Participating Interests.

Unless otherwise provided in this Memorandum, the obligations of the Parties under this Memorandum and all liabilities and costs incurred under this MOA shall be shared by the Parties, according to their respective Participating Interests.

3 **Termination**

3.1 This Memorandum shall terminate on the earliest of:

(a) the date on which all or all but one of the Parties withdraw or are deemed to have withdrawn from this Memorandum; provided that no Party may not withdraw from this Memorandum after the Joint Bid has been submitted to the Myanmar authorities except as otherwise provided in this Memorandum;

(a) the date on wihch the joint bid is either rejected by competent Myanmar authorities or result in a PSC and the Parties have signed a joint operating agreement.

(b) the date on which the Parties agree in writing to terminate this Memorandum;

(c) the date the Myanmar authorities cancel the Offshore Bid Round; or

(e) the date which is one (1) year after the Effective Date.

3.2 Notwithstanding anything to the contrary in this Memorandum, Articles 3, 4, 5, 6, and 8 shall survive termination of this Memorandum, subject to any time limits specified therein.

4 **Confidentiality**

4.1 The existence of this Memorandum, its contents and purpose, and any and all data and information exchanged between the Parties' or their affiliates in connection with this Memorandum or the transactions contemplated by this Memorandum are strictly confidential, (**"Confidential Information"**) and shall not be sold, traded, published or otherwise disclosed to anyone in any manner whatsoever, including but not limited to by means of photocopy, reproduction or electronically, without the Disclosing Party's prior written consent, except as provided herein and each Party shall, and shall procure that its affiliates shall, keep such information in strict confidence and subject to the requirements of applicable law or by the published rules or any mandatory requirements of any stock exchange on which securities of the Party or its affiliates are listed, not to disclose such information to any third party without the prior written consent of the other Party.

4.2 No public announcement or press release shall be made by a Party regarding the existence of this Memorandum and/or the potential cooperation initiatives referred to herein without the other Party's prior written consent unless required by any applicable laws or the regulations of any stock exchange on which securities of the Party or its affiliates are listed, in which case a copy of the same shall be furnished to the other Party as soon as practicable and before such announcement is made.

4.3 Notwithstanding anything to the contrary in this Memorandum, the confidentiality obligations under this Article 4 shall remain in full force and effect until the date which is three (3) years after the termination of this Memorandum

5 Notices

5.1 Any notice pursuant to this Memorandum shall be deemed to be properly served if given in writing and delivered by hand, by facsimile, or by an internationally recognised overnight courier service. Any notice shall be deemed to be effectively given or made:

(a) on receipt by the addressee, if delivered personally with signed receipt acknowledging delivery; or

(b) on the second Business Day following the date of sending if sent by an internationally recognised overnight courier service; or

(c) at the time and on the day it is sent where sent by facsimile transmission provided the sender retains receipt of a legible transmission report showing the addressee's facsimile number and time of transmission.

5.2 All notices shall also be copied by email to the recipient's email address as shown in clause 5.3 but failure to send such email shall not render ineffective a notice otherwise properly given under this Article 5.

5.3 The notices shall be sent to the following addresses:

If to Eni

Attention: Franco Conticini – Vice President Exploration Strategic Studies

Address: Via Emilia 1, 20097 San Donato Milanese, Italy

Fax: +39 02 520 61815

Email: franco.conticini@eni.com

If to PVEP

Attention: Nguyen Tien Long – Vice President

Address: 26th Floor, Charmvit Tower, 117 Tran Duy Hung, Hanoi

Fax: 84-4 37726027

Email: longnt@pvep.com.vn

6 Governing Law and Arbitration

6.1 This Memorandum shall be governed by and construed in accordance with the laws of England and Wales, to the exclusion of any conflict of law rules which would refer the matter to the laws of another jurisdiction.

6.2 Any dispute, controversy or claim arising out of or in connection with this Memorandum or its subject matter whether in tort, contract, under statute or otherwise, including any questions regarding its existence, validity, interpretation, breach or termination (**"Dispute"**) which cannot be resolved by negotiation between the Parties within 30 (thirty) days of one Party notifying the other Party in writing that a Dispute has arisen shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC 2013), which rules are deemed to be incorporated in this Article 6. The Tribunal shall consist of a sole arbitrator. The language of the arbitration shall be English. The resulting arbitral award shall be final and

binding without right of appeal and judgment upon such award may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. The costs of the arbitration shall be borne by the Parties as determined by the arbitration award. The Parties shall keep the contents of the arbitral proceedings strictly confidential.

7 Miscellaneous

7.1 This Memorandum is not intended to, and shall not be construed in any way, manner or degree to create or result in an arrangement constituting a joint venture, partnership, association or any relationship in which either Party might be deemed responsible for the acts or omissions of the other Party, and each Party shall be responsible solely for its individual obligations.

7.2 No Party or any of its affiliates shall, under any circumstances, be liable to the other Party or any of its affiliates for (i) any consequential, exemplary, special, incidental or punitive damages or (ii) (whether direct or indirect) any loss of revenue or income, loss of profit, cost of capital, or loss of business reputation or opportunity claimed by any Party under the terms or due to any breach of this Memorandum.

7.3 Each Party may sign identical counterparts of this Memorandum with the same effect as if the Parties signed the same document and all of which shall be considered one and the same instrument. A copy of this Memorandum signed by a Party and delivered by facsimile transmission to the other Party shall have the same effect as the delivery of an original of this Memorandum containing the original signature of such Party.

7.4 Each Party shall be responsible to ensure that any obligation or action to be performed under this Memorandum by an affiliate of such Party, will be properly and promptly undertaken or performed by such affiliate.

IN WITNESS WHEREOF, the duly authorised representatives of the Parties have caused this Memorandum of Agreement to be signed on the date first written above.

ENI MYANMAR BV

By: ____________________

Name: MASSIMILIANO PIERI

Title: ENI MYANMAR B.V. - CHAIRMAN

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ CẦU GIẤY - TP. HÀ NỘI

By: ____________________

Name: Nguyễn Tiến Long

Title: VICE PRESIDENT

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR DEEP WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Deep Water Offshore Blocks
1.	Contract Area	MD-2
2.	Area of Block	10 330 Sq km
3.	Water Depth	3,200 ~ 8,900 ft
4.	Type of Contract	Production Sharing Contract (PSC)
5.	Preparation Period (EIA/SIA/EMP)	- 6 months (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. Min. Expenditure 750 000 US$ **{Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}**
6.	Data Fee	NO DATA AVAILABLE (if data is available) (Payment within 30 days after commencement of the Study Period)
7.	Study Period (TEA Period)	- 2 years — <u>Min. Expenditure</u> - G&G Study and Seismic Acquisition, Processing, Interpretation — 5 500 000 US$ **{Contractor will have the option to back-off after 2 years Study Period}**
8.	Signature Bonus	15 200 000 US$ (Payment within 30 days after entering into the Exploration Period.)
9.	Exploration Period (Minimum Work Commitment and Expenditure)	- 3 years — <u>Min. Expenditure</u> Year 1 - 3D Seismic Acquisition, Processing, Interpretation — 13 500 000 US$ Year 2 - drill minimum 1 (one) well — 60 000 000 US$ Year 3 - post- well evaluation studies — 2 000 000 US$ *(or) to drill 2 (two) wells during Year 1 to 3* Total — 75 500 000 US$ *Contingent: 2nd Expl. Well + G&G (subject to results of First Well)* — 60 000 000 US$ **{Contractor will have the option to back-off after 3 years Exploration Period}** <u>1st Extension Period (2 years)</u> — <u>Min. Expenditure</u> Year 4 - prospect evaluation — 2 000 000 US$ Year 5 - To drill 1 (one) well — 60 000 000 US$ Total — 62 000 000 US$ **{Contractor will have the option to back-off after 2 years 1st Extension Period}** <u>2nd Extension Period (1 year)</u> — <u>Min. Expenditure</u> Year 6 - To drill 1 (one) well — 60 000 000 US$ **{Contractor may enter into Production Period upon commercial discovery}**
10.	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.
11.	Royalty	12.5% of Available Petroleum.
12.	Cost Recovery	Water Depth, less than or equal to 2000 feet — 60% more than 2,000 feet — 70%
13.	Profit Split *(Profit Petroleum Allocation)*	see tables below

13. Profit Split *(Profit Petroleum Allocation)*

Crude Oil

Water Depth BOPD	*2000 feet or less* MOGE(%)	*2000 feet or less* CONT. (%)	*more than 2,000 feet* MOGE(%)	*more than 2,000 feet* CONT. (%)
0 - 25,000	60	40	55	45
25,001 - 50,000	65	35	60	40
50,001 - 100,000	75	25	65	35
100,001 - 150,000	80	20	75	25
above 150,000	85	15	80	20

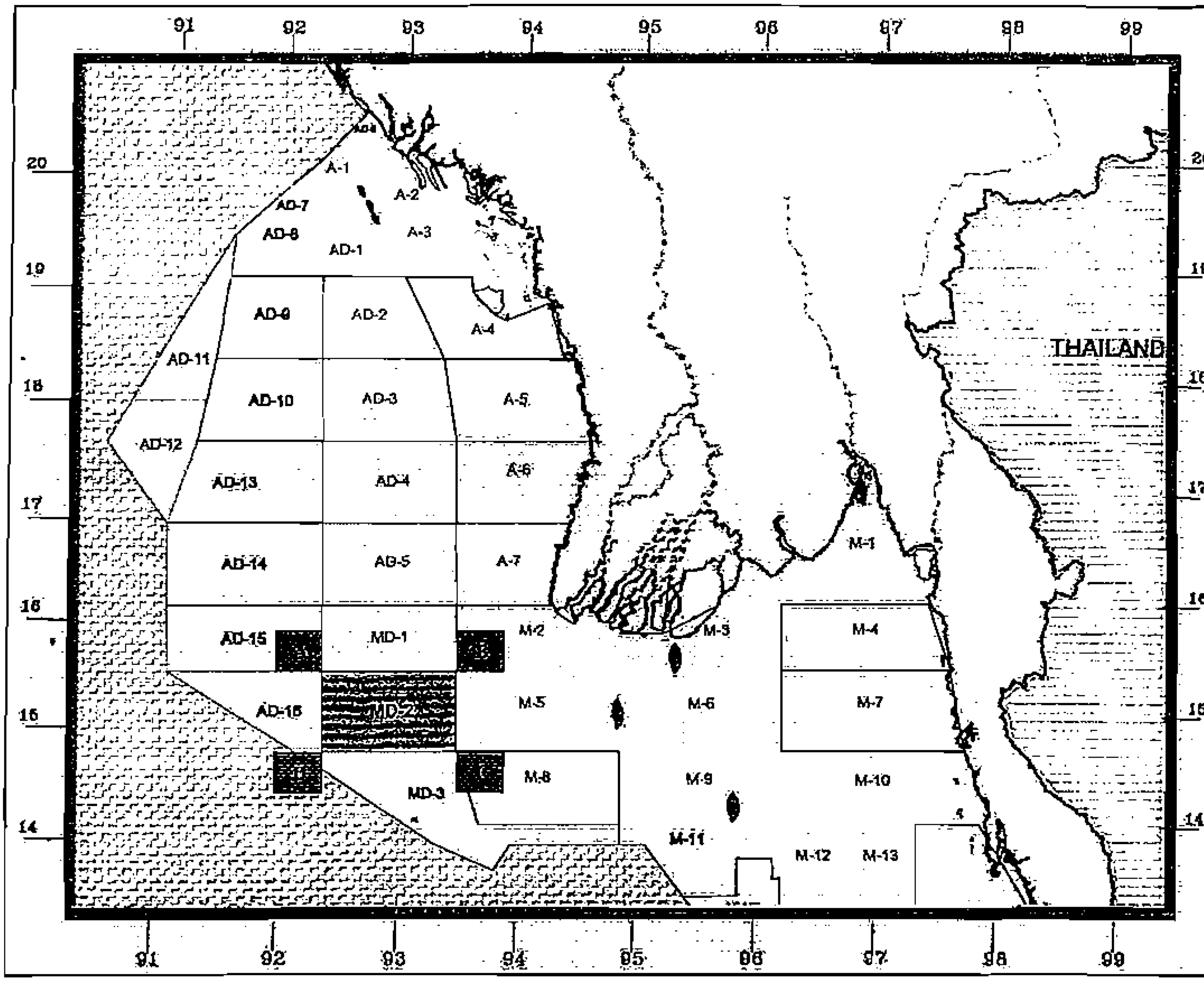
Natural Gas

Water Depth MMCFD	*2000 feet or less* MOGE(%)	*2000 feet or less* CONT. (%)	*more than 2,000 feet* MOGE(%)	*more than 2,000 feet* CONT. (%)
0 - 300	60	40	45	55
301 - 600	70	30	50	50
601 - 900	80	20	55	45
above 900	90	10	60	40

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR DEEP WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Deep Water Offshore Blocks
14.	Production Bonus	Crude Oil Upon approval of Development Plan = 1.00 MMUS\$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS\$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS\$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS\$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS\$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS\$ Natural Gas Upon approval of Development Plan = 1.00 MMUS\$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS\$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS\$ 600 MMCFD (for 90 consecutive days production) = 4.00 MMUS\$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS\$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS\$
15.	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.
16.	Training Fund	Exploration Period = 150 000 US\$ per Year. Production Period = 150 000 US\$ per Year.
17.	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.
18.	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel Oil Equivalent.
19.	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)
20.	Governing Law	Laws of the Republic of the Union of Myanmar.
21.	Arbitration	UNCITRAL Arbitration Rules.
22.	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:- - If the amount of Net Profit is up to 100 MMUS\$ 40% - If the amount of Net Profit is between 100 MMUS\$ and 150 MMUS\$ 45% - If the amount of Net Profit is over 150 MMUS\$ 50%
23.	EITI *	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24.	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.
		** note : Eni has adhered to the Extractive Industry Trasparency Initiative (EITI) since 2005.* *Eni has already implemented the EITI in Nigeria, Republic of Congo, Norway, Kazakhstan, Timor-Leste, Iraq, Gabon, Togo and Mozambique*

MAP OF CONTRACT AREA



COORDINATES OF BLOCK MD-2

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	15° 24' 00"	92° 09' 00"
B	15° 24' 00"	93° 21' 00"
C	14° 40' 00"	93° 21' 00"
D	14° 40' 00"	92° 09' 00"
A	15° 00' 00"	92° 09' 00"

Area of Block "MD-2" = 3,988 Sq. Miles.

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PRODUCTION SHARING CONTRACT

FOR

THE EXPLORATION AND PRODUCTION OF PETROLEUM

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

ENI MYANMAR B.V.

AND

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

FOR

DEEP WATER BLOCK MD-2

MOATTAMA OFFSHORE AREA

REPUBLIC OF THE UNION OF MYANMAR

Dated: , 2015

TABLE OF CONTENTS

PRODUCTION SHARING CONTRACT

FOR OFFSHORE PETROLEUM OPERATIONS

MOATTAMA OFFSHORE DEEP WATER BLOCK MD-2

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

ENI MYANMAR B.V.

AND

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

This Contract entered into and delivered at Nay Pyi Taw, the Republic of the Union of Myanmar on the (xx) day of (month), 2015 by and between

MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "MOGE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, MYANMA OIL AND GAS ENTERPRISE; of the one part,

and

ENI MYANMAR B.V., a company incorporated under the laws of the Netherlands (hereinafter referred to as "Eni" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, ENI MYANMAR B.V.; and

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD., a company incorporated under the laws of the Socialist Republic of Viet Nam (hereinafter referred to as "PVEP" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.; of the other part.

Eni and **PVEP** are hereinafter, together with their respective successors and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a "Contractor Party", and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by Contractor Party.

MOGE and CONTRACTOR are collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH

WHEREAS, The Republic of the Union of Myanmar is the sole owner of all natural resources within her territory and offshore areas and has the right to develop, extract, exploit and utilize the natural resources in the interest of the people of all the national groups; and

WHEREAS, MOGE is an enterprise formed by the Government of the Republic of the Union of Myanmar and is concerned with exploration and production of "Petroleum"(as hereinafter defined) within the Republic of the Union of Myanmar both onshore and offshore areas; and

WHEREAS, MOGE has the exclusive right to carry out all operations in the Republic of the Union of Myanmar and throughout the area described in Annexure "A" and outlined on the map which is Annexure "B", both attached hereto and made a part hereof, which area is hereinafter referred to as the "Contract Area"; and

WHEREAS, CONTRACTOR is of sound financial standing and possesses technical competency and professional skill for carrying out exploration and development works and other "Petroleum Operations" (as hereinafter defined in accordance with good international petroleum industry practices); and

WHEREAS, each Party has the right, power and authority to enter into this Contract; and

WHEREAS, MOGE and CONTRACTOR mutually desire to enter into this Contract which is the Production Sharing Contract in relation to the "Contract Area" as hereinafter defined;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set out, it is agreed as follows;

SECTION 1

DEFINITIONS

In this Contract, words in the singular include the plural and vice versa, and except where the context otherwise requires the following terms shall have the meaning set out as follows:

1.1 "Accounting Procedure" means the procedures and reporting requirements set forth in Annexure "C".

1.2 "Additional Exploration Operations" mean Exploration Operations performed by CONTRACTOR beyond those required by the minimum work commitment provisions in this Contract or as the case may be.

1.3 "Affiliate" means any company, or other legal entity;

a) in which CONTRACTOR holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or

b) which holds directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote, or

c) in which at least fifty percent (50%) of the shares entitled to vote are owned directly or indirectly by a company, or any other legal entity, which owns directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote.

1.4 "Appraisal Period" means the period which CONTRACTOR deems necessary to determine whether a Discovery is a Commercial Discovery.

1.5 "Appraisal Programme" means a programme submitted by CONTRACTOR pursuant to Section 7.2, under which CONTRACTOR will evaluate and delineate a Discovery including the estimated list of equipments, vehicles, machineries, materials, accessories, etc... that would be used for appraisal works under this Contract.

1.6 "Associated Gas" means Natural Gas found in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.

1.7 "Barrel" means a quantity or unit of forty-two (42) U.S. gallons liquid measured at or corrected to a temperature of sixty degrees (60^{o}) Fahrenheit with normal atmospheric pressure at sea level.

1.8 "Budget" means an estimate of income and expenditures formulated in relation to a Work Programme.

1.9 "Calendar Year" means a period of twelve (12) consecutive months commencing with January 1st and ending with December 31st next following, according to the Gregorian calendar.

1.10 "Commencement of Commercial Production" means, in relation to each Development and Production Area, the date on which regular and continuous shipments of Crude Oil (excluding test production) commence or the date on which regular and continuous sales of Natural Gas commence or any combination of these commence from the Contract Area (excluding production for testing purposes).

1.11 "Commencement of the Operation Date" means the date of approval of the Myanmar Investment Commission on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) and such date will be informed by MOGE to CONTRACTOR.

1.12 "Commercial Discovery" means the Discovery in the Contract Area of an accumulation or accumulations of Petroleum which CONTRACTOR, after conducting appraisal operations to assess the quantity and quality of the Petroleum present, the place and the depth of its location, the estimated development and production expenditures, prices prevailing in the world market and other relevant technical and economic factors, decides it is commercial to develop and produce.

1.13 "Contract" means this Production Sharing Contract, together with the Annexures attached hereto.

1.14 "Contract Area" means;

a) on the Effective Date the offshore area as described in Annexure "A" and shown on the map in Annexure "B" and

b) there after the whole or any part of such offshore area in respect of which at any particular time, CONTRACTOR continues to have rights and obligations under this Contract.

1.15 "Contract Year" means a period of time normally of three hundred and sixty-five (365) consecutive days commencing from the Commencement of the Operation Date.

1.16 "Cost Petroleum" means Petroleum out of which CONTRACTOR may recover the costs and expenses of the Petroleum Operations pursuant to Section 9.4.

1.17 "Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

1.18 "Cubic Foot" means a quantity or unit of vapor saturated with Natural Gas contained in one (1) cubic foot of space at a temperature of sixty degrees (60^{0}) Fahrenheit and pressure of 14.735 psia (30 inches Hg).

1.19 "Delivery Point" means (a) the agreed point of delivery within the relevant Development and Production Area for Petroleum delivered to MOGE as Royalty pursuant to Section 10 and Crude Oil and Natural Gas made available for the Myanmar domestic market pursuant to Section 14.1 and Section 14.4, (b) the point to be determined in accordance with Section 13 for Natural Gas, and (c) the point of export, Myanmar, for Petroleum made available for export sale, as the case may be.

1.20 "Development and Production Area" means the area or areas established by CONTRACTOR and designated as such or enlarged, as the case may be, in accordance with Section 8.

1.21 "Development and Production Operations"means all operations including but not limited to administrative and other related activities, within or outside the Contract Area, which are carried out in accordance with the Development Plan for a Development and Production Area in connection with the extraction, separation, processing, gathering, transportation, storage, treatment and disposition of Petroleum from such Development and Production Area.

1.22 "Development and Production Period" means, in relation to each Development and Production Area, the period specified in Section 3.6.

1.23 "Development Plan" means a plan for development of a Commercial Discovery prepared by CONTRACTOR and approved in accordance with Sections 8.5 or 8.6, including any amendments thereto.

1.24 "Discovery" means a discovery during Petroleum Operations of an accumulation or accumulations of Petroleum which in the opinion of CONTRACTOR may be capable of being produced and sold in commercial quantities.

1.25 "Discovery Area" means an area or areas in which CONTRACTOR may establish in accordance with Section 8.

1.26 "Drawback Basis" means all rented or leased assets which are imported into Myanmar, by CONTRACTOR or its subcontractors, with the approval of MOGE, for Petroleum Operations under the PSC's, at the time of completion, which are to be exported out of Myanmar. Assets imported on Drawback Basis are those which are not foreign direct investment and / or Myanmar citizens investment.

1.27 "Effective Date" means the date of signing of this Contract by the Parties.

1.28 "Exploration Operations" mean operations, within or outside the Contract Area, which are conducted under this Contract during the Exploration Period or in connection with the exploration for Petroleum including, without limitation, geological, geophysical and other technical surveys and studies, the review, processing and analysis of data, the drilling of exploratory and appraisal wells, operations and activities carried out to determine whether a Discovery constitutes a Commercial Discovery, associated planning, design, administrative, engineering, construction and maintenance operations, and all other related operations and

activities referred to in Annexure "C" or otherwise contemplated under the provisions of this Contract.

1.29 "Exploration Period" means the period specified in Sections 3.4, including any extensions to the Exploration Period granted under the terms of this Contract.

1.30 "Financial Year" means the financial year of the Government of the Republic of the Union of Myanmar and extending for a period of twelve (12) months commencing with 1st April and ending with 31st March next following.

1.31 "Government" means the government of the Republic of the Union of Myanmar.

1.32 "Investment Basis" means all assets which are imported into Myanmar by CONTRACTOR as an investment in accordance with the stipulations of the Contract for Petroleum Operations hereunder. Assets imported on Investment Basis are those which are allowed to make foreign direct investment and / or Myanmar citizens investment.

1.33 "Management Committee" means the committee established by that name pursuant to Section 18.

1.34 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

1.35 "Net Profit" means the amount of the proceeds of the sale or transfer of the interests of the CONTRACTOR under this Contract or the shares in the Company, registered under Section 5.1, less Petroleum Costs, which are not recovered by Cost Recovery under Article 2 in Annexure "C" until the time of transaction, bonuses under Section 11, and interests under Section 9.11.

1.36 "Petroleum Costs" mean all of the costs and expenditures borne and incurred by CONTRACTOR in connection with or related to the conduct of Petroleum Operations pursuant to this Contract, and determined and accounted for in accordance with Annexure "C".

1.37 "Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other hydrocarbons produced in association therewith.

1.38 "Petroleum Operations" mean all operations, within or outside the Contract Area, under this Contract, including, without limitation, Study and Exploration Operations, Development and Production Operations, or any combination of such operations, transportation, storage, marketing, all associated planning, design, administrative, engineering, construction and maintenance operations, and any or all other incidental operations or activities, as may be necessary under the provisions of this Contract.

1.39 "Preparation Period" means a period of six (6) months starting from signing date of this Contract during which Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) shall be conducted by the CONTRACTOR in respect of the Contract Area.

1.40 "Quarter" means a period of three (3) months starting with the first day of January, April, July or October of each Calendar Year.

1.41 "Study Period" means a period of time starting from the Commencement of the Operation Date, as described in Section 3.3, during which a study will be conducted as described in Section 6.

1.42 "U.S. Dollar" or "US$" means the lawful currency of the United States of America.

1.43 "Value Added Petroleum Downstream Products" means derivatives produced from, including but not limited to, Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Methanol and any other products utilizing Natural Gas and/or Crude Oil as feedstock.

1.44 "Work Programme" means a work programme mutually agreed by MOGE and CONTRACTOR itemizing the Petroleum Operations to be conducted within or with respect to the Contract Area, Discovery Area or Development and Production Area and time schedule thereof, including the estimated list of the equipments, vehicles, machineries, materials, accessories, etc... that would be used in the Petroleum Operations under this Contract.

1.45 "Foreign Investment Law" means the Foreign Investment Law of the Republic of the Union of Myanmar (the Pyi Htaung Su Hlut Taw Law No. 21/2012 dated 2nd November 2012) and related rules and notification.

SECTION 2

SCOPE

2.1 This Contract is a Production Sharing Contract. In accordance with the provisions herein contained, MOGE shall have and be responsible for the management of Petroleum Operations contemplated hereunder.

2.2 CONTRACTOR shall be responsible to MOGE for the execution of the Petroleum Operations in accordance with the provisions of this Contract, and is hereby appointed and constituted the exclusive company (operator) to conduct Petroleum Operations in the Contract Area. CONTRACTOR shall provide all the financial and technical assistance required for the Petroleum Operations.CONTRACTOR shall carry the risk of Petroleum Costs required in carrying out the Petroleum Operations and shall therefore have an economic interest in the development of the Petroleum in the Contract Area. Such costs shall be included in Petroleum Costs recoverable as provided in Section 9.4. The interest expenses incurred by the CONTRACTOR to finance its Exploration Operations hereunder shall not be cost recoverable from Cost Petroleum.

2.3 During the term of this Contract the total production achieved in the conduct of such Petroleum Operations in each Quarter shall be divided in accordance with the provisions of Section 9.

2.4 CONTRACTOR shall within thirty (30) days after entering into the Initial Exploration Period, make payment to MOGE the sum specified in Section 11.1 as Signature Bonus.

2.5 Signature Bonus paid in accordance with Section 2.4, shall not be recoverable from Cost Petroleum under Section 9.

SECTION 3

TERM

3.1 Unless sooner terminated in accordance with the terms hereof, this Contract shall remain in effect during the Preparation Period, Study Period, Exploration Period and any Development and Production Period.

3.2 The Preparation Period shall begin on the Effective Date and shall continue for a period of six (6) months and may be extended to a certain period by sole discretion of MOGE based on issuance of Myanmar Investment Commission's approval on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) reports.

3.3 The Study (Technical Evaluation and Assessment – TEA) Period shall commence from the Commencement of the Operation Date of this Contract and shall have duration of two (2) years.

3.4 If at the end of the Study Period, CONTRACTOR, after fully disclosing the results of the study to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE given not later than fifteen (15) days before the end of the Study Period. Thereafter, CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, Exploration Period shall begin immediately following the expiration of Study Period and shall continue for three (3) consecutive years ("Initial Exploration Period").CONTRACTOR may extend, at its sole discretion, the Exploration Period for three (3) years, consisting of two year as the ("First Extension Year") and another one year as the("Second Extension Year"), provided that, it shall have fulfilled its obligations hereunder for the then current period. CONTRACTOR shall notify MOGE thirty (30) days prior to the end of the Initial Exploration Period or the then current extension period that it intends to enter into any such extension to the Exploration Period.

3.5 If seismic or drilling operations (including testing) are in progress at the end of the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended until sixty (60) days after completion of such operations. If CONTRACTOR shall have made a Discovery during the Initial Exploration Period, or any extension of the Exploration Period, the current period shall be automatically extended as to the Discovery Area designated pursuant to Section 7 for such additional period as shall be sufficient for CONTRACTOR in accordance with the terms of this Contract to appraise the Discovery and declare a Commercial Discovery and designate a Development and Production Area.

3.6 A Development and Production Period shall commence with respect to each Development and Production Area on the date that CONTRACTOR gives

notice of Commercial Discovery relating to such Development and Production Area and shall continue until the expiration of twenty (20) years from the date of completion of development in accordance with the Development Plan for such Development and Production Area or the expiration of the sale(s) contract(s) relating to the sale and purchase of Petroleum produced hereunder whichever is longer.

3.7 Without limiting the rights of the Parties under Section 17 and 20, in the event that the Parties agree that CONTRACTOR is prevented or impeded from carrying on Petroleum Operations or gaining access to the Contract Area for reasons relating to the protection of personnel, subcontractors, property, or the environment, CONTRACTOR's obligations hereunder shall be suspended from the time of the commencement of such impairment until the impairment has been alleviated. As soon as practicable thereafter, the Parties shall meet and agree upon a period of time which shall be added to the Study Period and/or Exploration Period and/or any Development and Production Period, which period of time shall be equivalent to the amount of time necessary to restore Petroleum Operations to the status which they occupied at the time of the impairment.

If the impairment of Petroleum Operations described above should continue for a period of time exceeding two (2) years, CONTRACTOR shall have the right to elect in its sole discretion to terminate this Contract and CONTRACTOR shall be discharged from all further obligations under this Contract, including specifically without limitation the obligation to pay any deficiency under Section 5.3 and perform the minimum work commitments under Section 5.2 below.

SECTION 4

RELINQUISHMENTS

4.1 Not later than at the end of the Exploration Period (including any extension), all of the Contract Area other than Discovery Areas and Development and Production Areas shall be relinquished. Notwithstanding the foregoing, if CONTRACTOR elects to enter into the Second Extension Yearof the Exploration Period as described in Section 3.4, CONTRACTOR shall select from the Contract Area an area or areas totaling not more than 75% of the Contract Area (excluding any Discovery Areas and Development and Production Areas) in which to carry out further Petroleum Operations. The remainder of the Contract Area, other than Discovery Areas and Development and Production Areas, shall be relinquished at the time of such selection.

4.2 CONTRACTOR may at any time relinquish voluntarily its rights hereunder to conduct Petroleum Operations in all or any part of the Contract Area. Any such voluntary relinquishment of less than all the Contract Area shall be credited toward any subsequent relinquishment obligations hereunder.

4.3 No relinquishment shall relieve CONTRACTOR from its obligation for the accrued but unfulfilled minimum work commitments specified in Section 5.3 of this Contract.

4.4 At least thirty (30) days in advance of the date of the relinquishment under Sections 4.1 and 4.2, CONTRACTOR shall notify MOGE of the portions of the Contract Area to be relinquished. In connection with any relinquishment of less than all of the Contract Area, the CONTRACTOR and MOGE shall consult with each other in order to ensure that each individual portion of the Contract Area relinquished shall, so far as reasonably possible, be of sufficient size and shape to enable Petroleum Operations to be conducted thereon.

SECTION 5

MINIMUM WORK COMMITMENT

5.1 Subject to the provisions hereof, CONTRACTOR shall commence Petroleum Operations promptly, after adoption of the initial Work Programme and Budget pursuant to Section 6.2 and the issuance of all permits, clearances and licenses necessary for the commencement for field operations. As soon as practicable following the Effective Date, CONTRACTOR shall file such documents as shall be required to effect registration as a foreign corporation authorized to do business in Myanmar.

5.2 Subject to the provisions of this contract, the CONTRACTOR shall perform the following Exploration Operations.

(a) During the Study (TEA) Period of two (2) years, to acquire process and interpret 2D seismic, all at an estimated cost of U.S. Dollars Five Million and five-hundred thousand (US$ 5,500,000.00).

(b) If CONTRACTOR elects to enter into the Initial Exploration Period for three (3) years, during Year 1 of the Initial Exploration Period, to acquire, process and interpret 3D seismic, all at an estimated cost of U.S. Dollars thirteen Million and five-hundred thousand (US$ 13,500,000.00).

(c) During Year 2 of the Initial Exploration Period, to drill one (1) well, all at an estimated cost of U.S. Dollars sixty Million (US$ 60,000,000.00).

(d) During Year 3 of the Initial Exploration Period, to conduct post well evaluation studies, all at an estimated cost of U.S. Dollars two Million (US$ 2,000,000.00).

(e) If CONTRACTOR elects to enter into the First Extension Period of the Exploration Period for two (2) years, during Year 1 of the First Extension Period, to conduct prospect evaluation, all at an estimated cost of U.S. Dollars two Million (US$ 2,000,000.00).

(f) During Year 2 of the First Extension Period, to drill one (1) well, all at an estimated cost of U.S. Dollars sixty Million (US$ 60,000,000.00).

(g) If CONTRACTOR elects to enter into the Second Extension Period of the Exploration Period for one (1) year, to drill one (1) well, all at an estimated cost of U.S. Dollars sixty Million (US$ 60,000,000.00).

The minimum work commitments specified in Section 5.2(b) to (g), respectively, shall only apply to the extent that CONTRACTOR elects to exercise its option to proceed into or extend, as the case may be, the Exploration Period as provided in Section 3.4.

5.3 If the CONTRACTOR fails to fulfill the minimum work commitment described in Section 5.2(a) to (g) for Study and Exploration Operations:

(a) during the Study (TEA) Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (a) and the amount actually expended on study operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the study operations set forth in Section 5.2 (a) during the Study Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2 (a) whether or not such amount was actually expended, or

(b) during the Initial Exploration Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (b) to (d) and the amount actually expended on Exploration Operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(b) to (d) during the Initial Exploration Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2(b) to (d)whether or not such amount was actually expended, or

(c) during extension of the Exploration Period thereafter, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2(e) and (g) attributable to such extension and the amount actually expended on or accrued for Exploration Operations during such extension provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2(e) and (g) attributable to such extension of the Exploration Period it shall be deemed to have fulfilled the work commitments set forth in Section 5.2(e) and (g) for such extension, whether or not such amount was actually expended.

Notwithstanding anything in this Contract to the contrary, payment of such amount, if any, by CONTRACTOR in accordance with this Section 5.3, shall be MOGE's exclusive remedy for CONTRACTOR's failure to fulfill its minimum work commitment.

5.4 **Guarantees**

5.4.1 On the Effective Date, CONTRACTOR shall provide,in the form shown in Annexure "D" a Parent Company Guarantee as well as within thirty (30) days after entering into Study (TEA) Period provide a Performance Bank Guarantee issued by any State Owned Banks in Myanmar in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (a).If CONTRACTOR enters into the Initial Exploration Period it shall, provide similar Guarantees in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (b) to (d). If CONTRACTOR enters into any

extension of the Exploration Period it shall, subject to Section 5.5 provide similar Guarantees in respect of the minimum expenditure commitment of the relevant extension period.

5.4.2 The CONTRACTOR shall furnish the Performance Bank Guarantee to MOGE in the amount equal to ten (10) percent of the aggregate value of its minimum expenditure commitment of Study (TEA) Period under Section 5.2 (a), in the event of entering into the Initial Exploration Period under Section 5.2 (b) to (d) and any extension of Exploration Period for the respective extension, same percentage of Performance Bank Guarantee shall be applicable; on condition that such Performance Bank Guarantee shall be provided within thirty (30) days after entering into such extension.

The Proceeds of Performance Bank Guarantee shall be payable to MOGE as compensation for any failure of CONTRACTOR's minimum work commitment under this Section 5.

Subject to the above clauses under Section 5.4.2, the Performance Bank Guarantee will be discharged by MOGE and return to CONTRACTOR not later than twenty (20) days following the date of completion of the respective period.

5.5 In the event the CONTRACTOR fails to perform the Exploration Operations specified in Section 5.2(b) to (d) during the Initial Exploration Period but desires to enter into the extension of the Exploration Period and has carried out Petroleum Operations with diligence, MOGE shall permit the CONTRACTOR to perform the Exploration Operations required during a specified extension in any subsequent extension of the Exploration Period.

5.6 If CONTRACTOR performs Exploration Operations beyond those required by Section 5.2(b) to (g) during the Initial Exploration Period or during the extension of the Exploration Period, the Additional Exploration Operations performed shall be credited toward CONTRACTOR's minimum work commitment obligations for the succeeding extension(s) of the Exploration Period.

SECTION 6

WORK PROGRAMMES AND BUDGETS

6.1 Unless otherwise provided herein, CONTRACTOR shall conduct Petroleum Operations in accordance with approved Work Programmes and Budgets and shall commence Petroleum Operations hereunder not later than three (3) months after the Commencement of the Operation Date.

6.2 Within sixty (60) days after the Commencement of the Operation Date, CONTRACTOR shall prepare and submit to MOGE for approval a Work Programme setting forth the Petroleum Operations which CONTRACTOR proposes to conduct during the first Contract Year and a Budget with respect thereto.

6.3 At least ninety (90) days before the end of the first Contract Year and every Contract Year thereafter, CONTRACTOR shall prepare and submit to MOGE for approval a proposed Work Programme and Budget for the next succeeding Contract Year.

6.4 If MOGE does not propose revisions to said Work Programme and Budget within such thirty (30) days period, the Work Programme and Budget proposed by CONTRACTOR shall be deemed to have been approved.

6.5 If MOGE requests any changes to the said Work Programme and Budget within such thirty (30) days provided in Section 6.4, then CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Work Programme and Budget. Revision to the Work Programme and Budget, agreed within a further period of thirty (30) days shall be incorporated in a revised Work Programme and Budget which shall then be deemed approved and adopted.

6.6 It is recognized by the Parties that the details of a Work Programme may require changes in the light of existing circumstances and nothing herein contained shall limit the right of the CONTRACTOR to make such changes with written approval of MOGE, provided they do not change the general objective of the Work Programme, nor increase the expenditure in the approved Budget.

6.7 It is further recognized that in the event of emergency or extraordinary circumstances requiring immediate action either Party may take all actions it deems proper or advisable to protect their interests and those of their respective employees and any costs so incurred shall be included in the Petroleum Costs.

6.8 MOGE agrees that the approval of a proposed Work Programme and Budget will not be unreasonably withheld and shall be approved if the Work Programme is consistent with generally accepted international petroleum industry practices.

6.9 The minimum Work Programme and Budget estimated for Study and each Exploration Periods shall be set forth by the Contractor as follows subject to provisions of Section 5:

Contract Period	**Estimated Expenditure**	**Work Programme**
Study (TEA) Period (2 years)	US$ 5,500,000.00	To acquire process and interpret 2D seismic
Initial Exploration Period (Year 1)	US$ 13,500,000.00	To acquire, process and interpret 3D seismic
Initial Exploration Period (Year 2)	US$ 60,000,000.00	To drill one (1) well
Initial Exploration Period (Year 3)	US$ 2,000,000.00	To conduct post well evaluation studies
First Extension Period (Year 1)	US$2,000,000.00	To conduct prospect evaluation
First Extension Period (Year 2)	US$60,000,000.00	To drill one (1)well
Second Extension Period (1 Year)	US$60,000,000.00	To drill one (1) well
TOTAL	**US$ 203,000,000.00**	

SECTION 7

DISCOVERY AND APPRAISAL

7.1 The CONTRACTOR shall notify MOGE not later than thirty (30) days after any Discovery of Petroleum within the Contract Area. This notice shall summarize all available details of the Discovery and particulars of any additional testing programme to be undertaken and a map showing an outline of the boundaries of an area comprised of the portion of the Contract Area believed by CONTRACTOR to contain the Discovery.

7.2 If the CONTRACTOR considers that a Discovery merits appraisal, the CONTRACTOR shall, subject to Section 13 for Natural Gas, submit to the MOGE as soon as is practicable after completion of the exploration well in question a detailed Appraisal Programme and Budget to evaluate whether the Discovery is a Commercial Discovery.

7.3 If MOGE considers that an Appraisal Programme for a Discovery Area is merited, according to generally accepted international petroleum industry practices, MOGE may request that CONTRACTOR undertake such an Appraisal Programme, provided however that the CONTRACTOR may give reasons, also according to generally accepted international petroleum industry practices, as to why said Appraisal Programme should not be performed or should be deferred and the period of deferment.

7.4 The Appraisal Programme and Budget submitted by the CONTRACTOR to MOGE under Section 7.2 shall describe the Discovery Area, and the location, nature and estimated size of the Discovery and a designation of the area to be included in the evaluation. Once designated, a Discovery Area shall extend to all depths within its lateral boundaries, except as may be limited by Section 8. The Appraisal Programme shall also include a plan of all drilling, testing and evaluation to be conducted in the Discovery Area and all technical and economic studies related to recovery, treatment and transportation and delivery of Petroleum from Discovery Area.

7.5 If MOGE requests any changes to the Appraisal Programme and Budget for any Discovery Area, then MOGE shall so notify the CONTRACTOR in writing within fifteen (15) days of receipt thereof and the CONTRACTOR and MOGE shall meet within fifteen (15) days after receipt by the CONTRACTOR of MOGE's written notification as to the requested changes to endeavor to agree on a revised Appraisal Programme and Budget. The Appraisal Programme and Budget approved and adopted shall be CONTRACTOR's proposal as modified by agreed changes adopted thirty (30) days after receipt by the CONTRACTOR of MOGE's written notification of requested changes. If no changes are requested by MOGE, then CONTRACTOR's Appraisal Programme and Budget shall be deemed approved. The Parties recognize that the details of the Appraisal Programme may require modification as the result of changing circumstances and in that event, CONTRACTOR may make changes consistent with those set forth in this Section 7.

7.6 After adoption of the Appraisal Programme and Budget, the CONTRACTOR shall diligently continue to evaluate the Discovery in accordance with such programme without undue interruptions.

7.7 Within ninety (90) days after the evaluation is completed, but in any event prior to the expiration of the Exploration Period, or extension thereof pursuant to Section 3.4 or Section 3.5, the CONTRACTOR shall subject to Section 13, for Natural Gas, notify and report to MOGE whether the Discovery Area contains a Commercial Discovery. Such report shall include all relevant technical and economic data relating thereto.

7.8 For the purposes of this Section 7, the CONTRACTOR shall make a determination as to whether a Discovery is a Commercial Discovery on the basis of whether that Discovery can be produced commercially after consideration of pertinent operating and financial data collected during the performance of the Appraisal Programme and otherwise, including but not limited to Crude Oil and / or Natural Gas recoverable reserves, sustainable production levels and other relevant technical and economic factors, market availability, the basic Natural Gas pricing principles prevailing internationally, taking in consideration such factors as market, quality and quantity of the Natural Gas according to generally accepted internationally petroleum industry practices and the applicable laws of Myanmar and the provisions of this Contract.

SECTION 8

DEVELOPMENT AND PRODUCTION

8.1 At any time prior to the expiration of the Exploration Period, CONTRACTOR may notify MOGE in writing that CONTRACTOR has made a Commercial Discovery and furnish a map describing an area believed by CONTRACTOR to contain the Commercial Discovery ("Discovery Area"). If the CONTRACTOR reports that a Discovery is a Commercial Discovery under Section 7.7, a Development Plan shall be prepared by the CONTRACTOR and submitted to the MOGE as soon as is practicable after the completion of the Appraisal Work Programme.

8.2 The Development Plan shall be prepared on the basis of sound engineering and economic principles in accordance with generally accepted international petroleum industry practices and shall be designed to ensure that the Petroleum deposits do not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure and shall adopt the optimum economic well spacing appropriate for the development of those Petroleum deposits.

8.3 The Development Plan shall contain:

a) Details and the extent of the proposed Development and Production Area relating to the Commercial Discovery, which area shall correspond to the geographical extension of the Commercial Discovery plus a reasonable margin, and shall be designated as the Development and Production Area for the Commercial Discovery concerned. Once designated, a Development and Production Area shall extend to all depths within lateral boundaries.

b) Proposals relating to the spacing, drilling and completion of wells, the production and storage installations and the transportation and delivery facilities required for the production, storage and transportation of Petroleum within and outside of the Contract Area. In the event that pipeline and/or other transportation facilities for the transportation and delivery of Petroleum outside the Development and Production Area are contemplated by the CONTRACTOR, the Development Plan may provide:

i) For financing and construction of the pipeline and/or other transportation facilities.

ii) For the payment of transportation tariffs by the users of the facilities which are based upon the costs of financing, constructing, operating and maintaining the pipeline and / or other transportation facilities, including depreciation thereof, any applicable taxes, and a reasonable return on investment.

iii) For the ownership, financing and construction of pipeline and/or transportation facilities under a separate contract between the Parties, and in the event of such a proposal, the ownership, financing and construction of such pipeline and / or transportation facilities under such separate contract shall be as mutually agreed. The execution of a separate contract by the Parties for the ownership, financing and construction of pipeline and / or transportation facilities outside the Development and Production Area shall not amend, abridge, limit or otherwise modify the Parties' respective rights and obligations under this Contract, unless otherwise expressly agreed.

c) Proposals relating to necessary infrastructure investments and employment of Myanmar nationals, and use of Myanmar materials, products and services shall be made in accordance with Section 17.2 herein.

d) A production forecast and an estimate of the investment and expenses involved.

e) An estimate of the time required to complete each phase of the Development Plan.

8.4 MOGE may require the CONTRACTOR to provide within thirty (30) days of receipt of the Development Plan such further information as is readily available and as MOGE may reasonably need to evaluate the Development Plan for any Development and Production Area.

8.5 If MOGE does not request in writing any changes to the Development Plan within ninety (90) days after receipt thereof, the plan shall be deemed approved and adopted by MOGE.

8.6 If MOGE requests any changes to the Development Plan within such ninety (90) days provided in Section 8.5, then the CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Development Plan. Revision to the Development Plan, agreed within a further period of ninety (90) days shall be incorporated in a revised plan which shall then be deemed approved and adopted.

8.7 After the Development Plan has been adopted, the CONTRACTOR shall submit to MOGE for discussion ninety (90) days before the end of each subsequent Financial Year a detailed statement of the Development Work Programme and Budget for such subsequent Financial Year, and, for the first full Financial Year and the portion of the Calendar Year preceding the first full Financial Year, a detailed statement of the Development Work Programme and Budget thereof shall be submitted within ninety (90) days after the date of adoption of the Development Plan under Section 8.5. Each such annual detailed statement of the Development Work Programme and Budget thereof shall be consistent with the Development Plan adopted under Section 8.5 or as revised pursuant to Sections 8.6 and 8.8.

8.8 The CONTRACTOR may at any time submit to MOGE revisions to any Development Plan or Development Work Programme and Budget. These revisions shall be consistent with the provisions of Section 8.2 and shall be subject to the approval procedure set forth in Sections 8.5 and 8.6.

8.9 The CONTRACTOR shall commence Development and Production Operations not later than three (3) months after the date of adoption of the Development Plan under Section 8.5 or Section 8.6.

8.10 Where MOGE and the CONTRACTOR agree that a mutual economic benefit can be achieved by constructing and operating common facilities (including, but not limited to, offshore production and processing structures, pipelines and other transportation, communication and storage facilities and value added downstream plants), the CONTRACTOR shall use its reasonable efforts to reach agreement with other producers and MOGE on the construction and operation of such common facilities, investment recovery and charges to be paid.

8.11 If, subsequent to the designation of a Development and Production Area, the extent of the area encompassing the Commercial Discovery or another such area over or underlying it is reasonably expected to be greater than the designation in the Development Plan under Section 8.3, the Development Area shall be enlarged accordingly, provided that the area covered shall be entirely within the original Contract Area designated in Section 1.14(a) or, otherwise, not being yet awarded to any person other than MOGE.

SECTION 9

COST RECOVERY AND PROFIT PETROLEUM ALLOCATION

9.1 Subject to the provisions of Section 8.3(b) referring to the financing and construction of the pipeline and/or other transportation facilities, CONTRACTOR, including MOGE pursuant to Section 19, shall provide all funds required to conduct Petroleum Operations under this Contract and may recover its costs and expenses only out of Cost Petroleum in the manner and to the extent permitted under Section 9.4. CONTRACTOR shall have the right to use free of charge Petroleum produced from the Contract Area to the extent it considers necessary for Petroleum Operations under this Contract.

9.2 Petroleum produced and saved and not used in Petroleum Operations (hereinafter referred to as "Available Petroleum" or"Available Crude Oil" or "Available Natural Gas" as may be applicable) shall be measured at the Delivery Point and allocated as set forth in Section 9.7.

9.3 CONTRACTOR may take such portion of Available Petroleum from the Contract Area as is necessary to discharge CONTRACTOR's obligations to pay the Royalty specified in Section 10.

9.4 CONTRACTOR shall recover all Petroleum Costs in accordance with Annexure "C" in respect of all Petroleum Operations hereunder to the extent of sixty percent (60%) per Quarter of all Available Petroleum from the Contract Area, provided, however, that in the event a Development and Production Area contains within its boundaries any well, equipment or facilities at a location (on or below the water surface or seabed) the water depth of which is more than 2,000 feet, then Petroleum Costs in respect of all Petroleum Operations in such Development and Production Area shall be recovered to the extent of seventy percent (70%) per Quarter of all Available Petroleum from such Development and Production Area and provided further, that (a) all costs and expenses of Development and Production Operations (inclusive of pipeline cost to move Crude Oil and / or Natural Gas to the Delivery Point for sale or transfer of ownership) in respect of any Development and Production Area shall be recoverable from Available Petroleum produced from any Development and Production Area, and (b) that all costs and expenses of Exploration Operations carried out in the Contract Area shall be recoverable from Available Petroleum produced from any Development and Production Area. Such Petroleum Costs shall be recovered out of Cost Petroleum in the later part of the Quarter in which such expenditures are incurred or in the Quarter in which Commencement of Commercial Production first occurs within the Contract Area.

9.5 To the extent that costs or expenses recoverable in a Quarter under Section 9.4 exceed the value of all Cost Petroleum from the Contract Area for such Quarter, the excess shall be carried forward for recovery in the next succeeding Quarter thereafter until fully recovered, but in no case after termination of this Contract.

9.6 The Petroleum valuation provisions of Section 12 shall be used for determining the value and quantity of Cost Petroleum by CONTRACTOR according to the incremental scale of Sections 9.4 and 9.5, based on average daily production over the Quarter from the relevant Development and Production Area.

9.7 With respect to each Development and Production Area, Available Petroleum not taken for purpose of payment of the Royalty under Section 10 nor taken as Cost Petroleum, as described in Sections 9.4 and 9.5, shall be "Profit Petroleum" in a Quarter and shall be allocated between MOGE and CONTRACTOR according to the following incremental scale, based on average daily production over the Quarter from the relevant Development and Production Area.

a) Available ***Crude Oil*** for water depths of 2,000 feet or less:

Barrels per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	75	25
100,001 – 150,000	80	20
> 150,000	85	15

b) Available ***Natural Gas*** for water depths of 2,000 feet or less:

Million Cubic Feet per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 300	60	40
301 – 600	70	30
601 – 900	80	20
> 900	90	10

c) Available ***Crude Oil*** for water depths more than 2,000 feet:

Barrels per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 25,000	55	45
25,001 – 50,000	60	40
50,001 – 100,000	65	35
100,001 – 150,000	75	25
> 150,000	80	20

d) Available ***Natural Gas*** for water depths more than 2,000 feet:

Million Cubic Feet per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 300	45	55
301 – 600	50	50
601– 900	55	45
>900	60	40

9.8 a) Subject to its obligations under Section 14, CONTRACTOR shall receive for each Quarter at the Delivery Point and, may separately dispose of, Crude Oil to which it is entitled pursuant to Section 9.4 plus its share in Profit Petroleum as stipulated in Section 9.7. Title and risk of loss shall pass to the buyer/recipient at such Delivery Point.

b) Natural Gas will be disposed of pursuant to the provisions of Section 13 and Section 14.

c) Each Party shall be responsible for the costs, incurred in disposing of its entitlement of Petroleum beyond the Delivery Point.

9.9 CONTRACTOR shall conduct a review of production programme prior to the Commencement of Commercial Production from any Development and Production Area and shall establish production at the maximum efficient rate needed to achieve the maximum ultimate economic recovery of Petroleum from that Development and Production Area in accordance with generally accepted standards of the international petroleum industry.

9.10 At least one hundred and eighty (180) days prior to Commencement of Commercial Production from a Development and Production Area, MOGE and CONTRACTOR shall agree on a procedure for lifting of their respective entitlements of Crude Oil, such procedure to contain reasonable provisions for under lift and over lift and for each Party to have the right to accumulate and lift economic sized cargoes.

9.11 The provision regarding payment of Income Tax imposed upon CONTRACTOR under the applicable provisions of the Income Tax Laws of the Republic of the Union of Myanmar shall be applied as follows:

a) CONTRACTOR shall be subject to the Myanmar Income Tax Laws and shall comply with requirements of the Myanmar Income Tax Law in particular with respect to filing of returns, assessment of tax, keeping and showing of books and records.

b) CONTRACTOR's annual taxable income for Myanmar Income Tax purposes shall be an amount equal to the CONTRACTOR's net income attributable to the Profit Petroleum allocated to the CONTRACTOR pursuant to Section 9.7 as adjusted for all other expenditures that may not be cost recoverable, but that are by reason of being normal business expenditures, deductible under the Income Tax Laws of the Republic of the Union of Myanmar. It is understood by both Parties that for purpose of determining net taxable income, CONTRACTOR shall also be allowed to deduct all legitimate and reasonable expenses incurred for the purpose of earning income under the existing provisions of the Myanmar Income Tax Law. Such expenses include but are not limited to:

i) interest incurred by CONTRACTOR to finance the Petroleum Operations (to the extent not cost recoverable); and

ii) production bonuses paid by CONTRACTOR pursuant to Section 11; and

c) The CONTRACTOR shall pay Myanmar Income Tax on the annual net taxable income as defined in Section 9.11 (b) above, in accordance with the provisions of the Income Tax Laws of the Republic of the Union of Myanmar and subject to the entitlements under the provisions of the Foreign Investment Law.

d) MOGE shall assist the CONTRACTOR to obtain proper official receipts evidencing the payment for CONTRACTOR's Myanmar Income Tax. Such receipts shall be issued by a duly constituted authority for the collection of Myanmar Income Taxes and shall state the amount and other particulars customary for such receipts. Provisional receipts shall be issued within ninety (90) days following the commencement of the next ensuing Financial Year and final receipt shall be issued not later than ninety (90) days after provisional receipts have been issued.

e) As used herein, Myanmar Income Tax shall be inclusive of all taxes on income payable to the Republic of the Union of Myanmar.

SECTION 10

ROYALTY

10.1 Royalty shall be paid in whole or in part, in cash or in kind, at the option of the Government, as provided in this Section 10.

10.2 In the absence of an election on the part of the Government to take Royalty in kind, Royalty accruing during a Quarter shall be paid in cash within thirty (30) days after the end of that Quarter. CONTRACTOR shall pay to the Government a Royalty equal to twelve point five percent (12.5%) of the value of Available Petroleum from the Contract Area, determined in accordance with Section 12, and adjusted by deducting an amount equal to the cost of transportation from the Delivery Point to the usual point of export.

10.3 CONTRACTOR shall be given at least one hundred and eighty (180) days prior notice of an election by the Government to take Royalty in kind and such option shall be effective for a minimum period of one (1) year. Unless otherwise agreed by the Government and CONTRACTOR, if the Government elects to take Royalty in kind, twelve point five percent (12.5%) of the Available Petroleum shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules. A lifting and nomination procedure will be agreed upon to effect regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules.

10.4 Royalty shall not be recoverable from Cost Petroleum.

SECTION 11

BONUSES

11.1 Signature Bonus

CONTRACTOR shall, within thirty (30) days after entering into the Initial Exploration Period, pay to MOGE the sum of U.S. Dollars fifteen Million and two-hundred thousand(US$ 15,200,000.00) as a Signature Bonus. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9.

11.2 Production Bonus - Crude Oil

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Crude Oil Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Crude Oil.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Twenty Five Thousand (25,000) Barrels per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Fifty Thousand (50,000) Barrels per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred Thousand (100,000) Barrels per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Thousand (150,000) Barrels per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Two Hundred Thousand (200,000) Barrels per day.

11.3 <u>Production Bonus – Natural Gas</u>

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Natural Gas Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Natural Gas.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Million Cubic Feet (150,000,000 ft^3) per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Three Hundred Million Cubic Feet (300,000,000 ft^3) per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Six Hundred Million Cubic Feet (600,000,000 ft^3) per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Seven Hundred and Fifty Million Cubic Feet (750,000,000 ft^3) per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Nine Hundred Million Cubic Feet (900,000,000 ft^3) per day.

11.4 Production Bonuses paid in accordance with Section 11.2 and 11.3shall not be recoverable from Cost Petroleum.

SECTION 12

VALUATION OF PETROLEUM

12.1 Terms used in this Section shall have the following meanings:

a) "Arms Length Sales" means sales on the international market in freely convertible currencies between willing and unrelated sellers and buyers, excluding sales between Affiliates, sales between governments or government owned entities, sales affected by other commercial relationships between seller and buyer, transactions involving barter, and more generally any transactions motivated wholly or partly by considerations other than the usual commercial incentives.

b) "Reference Crude" means Crude Oil(s) produced in Asia which is/are of comparable gravity and quality to the Crude Oil valued hereunder. The appropriate Crude Oil(s) comprising Reference Crude shall be selected and agreed by MOGE and CONTRACTOR at least one hundred and eighty (180) days prior to Commencement of Commercial Production from any Development and Production Area.

c) "Reference Crude Price"means the average Free on Board ("FOB") point of export spot price for Reference Crude during the relevant time period as quoted in Platt's Oilgram Price Report or such other publication as MOGE and CONTRACTOR may agree, adjusted as necessary to exclude non-Arms Length Sales and to reflect thirty (30) days payment terms and differences in gravity and quality between the Reference Crude and the Crude Oil being valued hereunder.

d) "Transportation Cost" means the transportation cost determined by reference to the Average Freight Rate Assessment ("AFRA") last published by the London Tanker Broker and Association, or such other published Crude Oil freight rate as MOGE and CONTRACTOR may agree, applicable to voyages between the points specified, using vessels of appropriate size.

12.2 For the purpose of Section 9 and Section 10, a U.S. Dollar value per Barrel of Crude Oil shall be determined each Quarter. Such value shall be the Fair Market Value determined and defined in accordance with Section 12.3.

12.3 The Fair Market Value shall be the volume-weighted average of:

a) the price actually received by CONTRACTOR during the relevant Quarter in Arms Length Sales, if any, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms, and

b) the Reference Crude Price applicable for Crude Oil sold by CONTRACTOR during the relevant Quarter in non Arms Length Sales, adjusted to a Yangon point of export basis by adding the Transportation Cost of the Reference

Crude from its point of export to the market in which Myanmar Crude Oil would normally be sold and subtracting the Transportation Cost from Yangon to the market in which Myanmar Crude Oil would normally be sold.

12.4 Within twenty (20) days following the end of each Quarter, CONTRACTOR shall determine Crude Oil value in accordance with this Section and shall notify MOGE. Unless within twenty (20) days after receipt of such notice MOGE notifies CONTRACTOR that it does not agree with CONTRACTOR's determination and specifies in such notice the basis for such disagreement, the CONTRACTOR's determination shall conclusively be deemed to have been accepted. For Crude Oil Sales overlapping Quarters, a reconciliation mechanism shall be provided within the lifting procedure to be agreed upon as provided in Section 9.10.

12.5 In the event MOGE shall have timely notified CONTRACTOR, within the above described twenty (20) day period that it disagrees with CONTRACTOR's determination of Crude Oil value, MOGE and CONTRACTOR shall meet to discuss the CONTRACTOR's determination. Should MOGE and the CONTRACTOR fail to reach agreement on the Crude Oil value within seventy-five (75) days after the end of the Quarter in question, either Party may submit the value determination (and the selection of the Crude Oil to comprise Reference Crude if not previously agreed) to a panel of arbitrator in accordance with the provisions of Section 22.

12.6 The allocation of Crude Oil for Section 9, Section 10 and Section 14 shall be based on the value last determined or in the event of a dispute pursuant to Section 12.5, the average of the value determined by CONTRACTOR and the value proposed by MOGE. When a new value is determined, that value shall be applied retroactively for the Quarter in which the sales used in the determination occurred and appropriate adjustments shall then be made in the allocations of the Parties to reflect the retrospective application of the new Crude Oil value.

12.7 Natural Gas produced and sold during a Quarter shall be valued at the price realized by CONTRACTOR.

SECTION 13

NATURAL GAS

13.1 Any Natural Gas produced from the Contract Area, to the extent not used in Petroleum Operations thereunder, may be flared if the processing or utilization thereof is not economical. Such flaring shall be permitted to the extent that Natural Gas is not required to effectuate the economic recovery of Petroleum by secondary recovery operations, including repressuring and recycling.

13.2 In the event, however, CONTRACTOR considers that the processing and utilization of Natural Gas is not economical, then MOGE may choose to take from the outlet of the producing facilities at no cost to the CONTRACTOR and utilize such Natural Gas, free of charge that would otherwise be flared. All costs and liabilities related to the taking and handling of such gas shall be the exclusive responsibility of MOGE and for its sole account and risk.

13.3 If, upon completion of an Appraisal Programme, CONTRACTOR considers that a Discovery of Natural Gas is significant but not then economical for development but may become so within seven (7) years, it may, without prejudice to the relinquishment provisions under Section 4 and the notice provisions under Section 7 with respect to the remainder of the Contract Area, retain the Discovery Area and at any time within such seven (7) year period re-evaluate the economic viability of development and declare a Commercial Discovery. MOGE and CONTRACTOR shall jointly make every effort to establish an economically viable gas project based on the Discovery and shall negotiate appropriate terms for such a project. Multiple extensions of one (1) year each shall be made available to CONTRACTOR if justified by market conditions. MOGE approval for such extensions shall not be unreasonably denied. CONTRACTOR shall relinquish such Discovery Area upon request of MOGE if a Development Plan has not been proposed within the seven (7) year period of retention or during any extension granted.

SECTION 14

DOMESTIC CRUDE OIL AND NATURAL GAS REQUIREMENT

14.1 The CONTRACTOR including MOGE pursuant to Section 19, shall after the Commencement of Commercial Production of Crude Oil, fulfill its obligation toward the supply of the domestic Crude Oil market in Myanmar by making a share of its entitlement of Crude Oil available to MOGE. CONTRACTOR's obligatory share of the domestic market obligation will be twenty percent (20%) of the Crude Oil allocated to CONTRACTOR under Section 9.7. The price MOGE will pay CONTRACTOR for such Crude Oil shall be the equivalent of 90% of Fair Market Values as determined in accordance with Section 12 hereof, in US Dollars. Should the Government require amounts of Crude Oil in excess of that obligatory limit required to satisfy CONTRACTOR's domestic market obligation, the price shall be the value of Crude Oil as determined in accordance with Section 12 hereof, and the currency of payment shall be US Dollars. The CONTRACTOR shall be advised in writing by MOGE not less than ninety (90) days prior to the commencement of the deliveries. Notwithstanding the above CONTRACTOR's obligation shall not exceed the extent to which the Government shall make available U.S. Dollars which may be remitted abroad in payment of such excess Crude Oil.

14.2 CONTRACTOR shall receive payment for Crude Oil sold to MOGE pursuant to this Section 14 within forty five (45) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE. In the event CONTRACTOR has not received payment within such forty five (45) day period, CONTRACTOR shall be entitled to interest, compounded monthly at LIBOR plus three percent (3%) on all unpaid amounts commencing on the forty sixth (46th) day. As used herein, LIBOR means the average interbank offered rate for one (1) month U.S. Dollar deposits in the London market, as reported in the Wall Street Journal (New York edition) or if not published, then in the Financial Times of London, on the date the interest commences to accrue.

14.3 If CONTRACTOR has not received payment within ninety (90) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE pursuant to this Section 14, the CONTRACTOR's obligation to deliver Crude Oil pursuant to Sections 9 and 10, may, at CONTRACTOR's exclusive option, be suspended until such time as all payment (including interest) that are more than ninety (90) days past due are received. In order to collect past due amount, CONTRACTOR shall also have the right to lift and freely export relevant quantities of Crude Oil out of Royalty taken under Section 10 and MOGE's entitlement of Crude Oil under Sections 9.4 and 9.7, the value of which under Section 12 equals the amount owed by MOGE to CONTRACTOR, including accrued interest.

14.4 The provisions of Sections 14.1, 14.2 and 14.3 shall apply, mutatis mutandis, to the production of Natural Gas, provided, however that CONTRACTOR's obligatory share of the domestic market obligation will be twenty-five percent (25%) of the Natural Gas allocated to CONTRACTOR under Section 9.7.

14.5 Notwithstanding the above,

(a) CONTRACTOR shall give priority to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar. If downstream industries in Myanmar cannot utilize the discovered Natural Gas and/or Crude Oil, CONTRACTOR can freely dispose of in consultation and on agreement with MOGE.

(b) In the event, CONTRACTOR considers that the Commercial Discovery is economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR will use its utmost efforts to utilize the Natural Gas and/or Crude Oil in order to produce Value Added Petroleum Downstream Products as soon as possible in consultation with MOGE under separate contract.

(c) In the event, MOGE and CONTRACTOR consider that the Commercial Discovery is not economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR shall have the right during the term hereof to freely dispose of and export or sell domestically its share of Natural Gas and/or Crude Oil and retain abroad the proceeds obtained therefrom.

SECTION 15

EMPLOYMENT AND TRAINING

15.1 In conducting Petroleum Operations hereunder, CONTRACTOR shall select its employees and determine the number thereof. CONTRACTOR shall endeavor to employ qualified Myanmar citizens in accordance with the Foreign Investment Law, rules and regulation of the Republic of the Union of Myanmar. In doing so, CONTRACTOR shall submit a staffing plan for the Development and Production Operations at all levels up to the management level. The employment of Myanmar nationals shall be reviewed from time to time by the Management Committee.

15.2 CONTRACTOR shall spend a minimum of U.S. Dollars One Hundred and Fifty Thousand (US$ 150,000) per Contract Year during the Exploration Period of this Contract for one or more of the following purposes:

a) the purchase for MOGE of advanced technical literature, data and scientific instruments;

b) to send qualified Myanmar nationals to selected accredited universities; and

c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

15.3 Starting with the first Contract Year commencing after the commencement of the Development and Production Period for the first Development and Production Area, CONTRACTOR's minimum expenditure commitment under this Section shall be increased to U.S. Dollars One Hundred and Fifty Thousand (US$ 150,000) per Contract Year.

15.4 The expenditure of sums for the purposes specified above shall be spent in consulting with MOGE.

15.5 If training expenditures fall short of the minimum training expenditure obligations for a year, the deficiency shall be carried forward and expended in succeeding years. If training expenditures in any Contract Year exceed the minimum training expenditure obligation for that Contract Year the excess shall be credited to the training expenditure obligations for succeeding Contract Years.

15.6 All expenditures made pursuant to this Section 15 relating to training and education, including any payments made to MOGE pursuant to Section 15.7, shall be fully recoverable from Cost Petroleum pursuant to Section 9.

15.7 The CONTRACTOR shall establish a research & development fund in the sum of zero point five (0.5) percentage of its share of Profit Petroleum and the expenditure of this fund will be determined in consultation with MOGE and shall be cost recoverable under Section 9.

SECTION 16

TITLE OF ASSETS

16.1 CONTRACTOR's physical assets which are acquired for purposes of the Petroleum Operations shall become the property of MOGE and shall be cost recoverable by CONTRACTOR pursuant to Section 9, upon importation into Myanmar or upon acquisition in Myanmar. Data, information, reports and samples acquired or prepared by CONTRACTOR for the Petroleum Operations shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9 when acquired or prepared.

16.2 The physical assets, referred to in Section 16.1 shall remain in the custody of CONTRACTOR during the term of this Contract and CONTRACTOR shall have the unrestricted and exclusive right to use such assets in the Petroleum Operations free of charge subject to the provisions of Section 17. CONTRACTOR may retain and freely use, within or outside Myanmar, copies of all data, information and reports and representative portions of all samples, including but not limited to geologic, core, cutting and Petroleum samples.

16.3 The provisions of Section 16.1 shall not apply to assets rented or leased by CONTRACTOR or its Affiliates; nor to assets owned by CONTRACTOR's contractor, subcontractors, its / their Affiliates or other parties.

16.4 For the purpose of this Section, in the event of the replacement or transfer of the motor vehicles used by CONTRACTOR in Petroleum Operations, occurs during the term of this Contract or the expiration or termination of this Contract, CONTRACTOR shall hand-over or transfer such motor vehicles to MOGE in good condition and running status.

SECTION 17

RIGHTS AND OBLIGATIONS OF MOGE AND CONTRACTOR

17.1 MOGE shall:

a) have and be responsible for the management of the operations contemplated hereunder, however MOGE shall assist and consult with CONTRACTOR with a view to the fact that CONTRACTOR is responsible for the execution of the Work Program;

b) i) except as provided in Section 17.2 (c) and 17.2 (d) below, and in Section 9.11, assume and discharge all Myanmar's taxes imposed upon CONTRACTOR, its contractors and subcontractors during the Study Period, Exploration Period and the following period (if any) which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum, including import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contractors for Petroleum Operations.

ii) assume and discharge all exactions applicable under the laws of the Republic of the Union of Myanmar in respect of property, capital, net worth and operations, including any tax imposed upon goods procured domestically, sales, gross receipts or transfers of property, or any levy on or in connection with operations performed hereunder by CONTRACTOR, its contractors or its subcontractors during the Study Period, Exploration Period and the following period (if any) which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum;

iii) not be obliged to pay taxes on tobacco, liquor, and other taxes charged on goods and services, import and export duties, customs duties and sales tax and any other tax levied upon articles imported for personal use by the CONTRACTOR, its contractors and sub-contractors employees engaged in Petroleum Operations under this Contract;

c) assist and expedite CONTRACTOR's execution of the Work Programme by providing at cost facilities supplies and personnel including, but not limited to, supplying or making available all necessary visas, work permits, transportation, security protection and rights of way and easements as may be requested by CONTRACTOR and made available from the resources under MOGE's control. In the event such facilities, supplies, or personnel are not readily available, then MOGE shall promptly secure the use of such facilities, supplies and personnel from alternative sources. Expenses thus incurred by MOGE at CONTRACTOR's request shall be reimbursed to MOGE by CONTRACTOR and included in the Petroleum Cost. Such reimbursements will be made in U.S. Dollars computed at the prevailing market rate through authorized dealer bank at the time the expenses was incurred;

d) have title to all original data resulting from the Petroleum Operations including but not limited to geological, geophysical, petrophysical and engineering data, well logs and completion status reports and any other data as CONTRACTOR may compile during the term hereof for which CONTRACTOR is entitled to retain copies;

e) to the extent that it does not interfere with CONTRACTOR's performance of the Petroleum Operations reasonable use of equipment which becomes its property by virtue of this Contract solely for the Petroleum Operations or for any alternative purpose, provided that approval of CONTRACTOR is first obtained;

f) have the right to consult with CONTRACTOR regarding the immediate removal and replacement of any of the CONTRACTOR's employees at the cost of the CONTRACTOR, if in the consideration of MOGE the employee is incompetent in his work and/or unacceptable to MOGE by reason of his acts or behavior;

g) take best efforts to assist CONTRACTOR to obtain all the permits, clearances, licenses and approvals necessary for the performance of this Contract in Myanmar pursuant to Section 5.1;

h) appoint its authorized representative with respect to this Contract; and

i) assist CONTRACTOR by taking such measures as may be requested by CONTRACTOR to avoid double taxation so that CONTRACTOR's income taxes are creditable for income tax purpose, provided that such request is consistent with the laws of Myanmar.

17.2 CONTRACTOR shall;

a) furnish all funds as may be necessary for the entire Petroleum Operations executed pursuant to this Contract;

b) be responsible to conduct Petroleum Operation in accordance with the good international petroleum industry practices.

c) be responsible to withhold and pay the withholding tax for the payments made for goods and services and the appropriate authorities income tax from payments made to its expatriate employees to the extent required to do so under the Income Tax Law of the Republic of the Union of Myanmar and require CONTRACTOR's contractors and subcontractors to withhold and pay such income tax payments;

d) be responsible to pay to appropriate authorities import duties, customs duties, sales tax and other duties levied on motor vehicles brought into Myanmar for personnel use and not for field use by CONTRACTOR, its contractors and sub-contractors, in addition, except as provided in Section 17.1(b) above, be responsible to pay to appropriate authorities import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by

CONTRACTOR, its contractors and sub-contracts for Petroleum Operation during the period from the date which the CONTRACTOR commences the sales and purchase of Petroleum produced hereunder to the date of termination occurs under Section 25 hereof. The cost and expenses incurred shall be Cost Recoverable as Petroleum Costs under Section 9.4;

e) be responsible for execution of Work Programme which shall be implemented in a work-man like manner and CONTRACTOR shall take such precautions for protection of navigation and fishing and CONTRACTOR shall be responsible to conduct Petroleum Operations in accordance with the applicable provisions of the International Financing Corporation Performance Standards (2012), the World Bank Group Environmental, Health and Safety Guidelines for Offshore Oil & Gas Development (2007), good international petroleum industry practices and the laws, regulations and directives of the Republic of the Union of Myanmar with respect to Environmental and Social protection. The steps to carry out these obligations shall be instituted into the Work programmed. It is also understood that the execution of the Work Programme shall be exercised so as not to conflict with the laws of the Republic of the Union of Myanmar as they exist as of the Effective Date;

f) be responsible to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar as priority referred to in Section 14.5.

g) be entitled to import CONTRACTOR's physical assets on Investment Basis as well as import CONTRACTOR's leased property, property of its contractors and its subcontractors on Drawback Basis;

h) be entitled to export all property which are imported on Drawback Basis;

i) have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, benefits or interests under this Contract to an Affiliate or with the prior written consent of MOGE to other third parties; the consent by MOGE on this matter shall not be unreasonably withheld;

Provided that notwithstanding anything contained elsewhere in the Contract, according to the "Myanmar Income Tax Law" CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer to a non-Affiliate other than MOGE of the interests under this Contract or of the shares in the Company, registered under Section 5.1.

(1) If the amount of Net Profit arising from the said sale or transfer is up to and including US$100 million	40%
(2) If the amount of Net Profit arising from the said sale or transfer is above US$100 million and up to and including US$150 million	45%
(3) If the amount of Net Profit arising from the said sale or transfer is over US$150 million	50%

j) have the right of access to and from the Contract Area and to and from facilities wherever located at all times;

k) after entering the Initial Exploration Period, submit to MOGE daily drilling reports (where applicable) and weekly and monthly progress reports;

l) submit to MOGE copies of all such original geological, geophysical, drilling, well, production and any other data and reports, including interpretive reports, relating to the Contract Area as it may compile during the term hereof;

m) as required under Section 15, prepare and carry out plans and programmes for industrial training and education of Myanmar nationals selected by MOGE from its staff for all job classifications with respect to operations contemplated hereunder;

n) appoint authorized representative for Myanmar with respect to this Contract, who shall have an office in Yangon. Such representative shall represent CONTRACTOR in the conduct of Petroleum Operations hereunder;

o) unavoidably give preference to and require its contractors and subcontractors to give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;

p) unavoidably execute Petroleum Operations in accordance with the Work Programme utilizing twenty-five (25) percent of the approved Budget for each Financial Year for goods and services that are available in Myanmar or rendered by Myanmar nationals, provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required, subject to the approval of MOGE unless otherwise agreed upon by both parties;

q) procure such goods and services for the execution of the Work Programme through international tender procedures approved by MOGE unless otherwise agreed upon by both Parties;

r) allow duly authorized representatives of MOGE to have reasonable access to the Contract Area and to the operations conducted thereon. Such representatives may examine data, books, register and records of CONTRACTOR, and make a reasonable number of surveys, drawings and tests for the purpose of enforcing this Contract. They shall, for such purpose, be entitled to make reasonable use of machinery and instruments of the CONTRACTOR. Each Party shall assume responsibility for the safety of its employees and representatives except in the case of gross negligence or willful misconduct of the other Party. Such representatives shall be given reasonable assistance by the agents and employees of the

CONTRACTOR so that none of their activities shall endanger or hinder the safety or efficiency of the operations. The CONTRACTOR shall offer such representatives all privileges and facilities accorded to its own employees in the Contract Area and shall provide them, free of charge, the temporary use of reasonable office space while they are in the Contract Area and transportation facilities for them to and from the Contract Area for the purpose of facilitating the objectives of this Section;

s) have the right to use and have access to and MOGE shall furnish all geological, geophysical, drilling, well production and other information held by MOGE or by any other governmental agency or enterprise, relating to the Contract Area including but not limited to well location maps;

t) have the right to use and have access to and MOGE shall make available so far as possible, all geological, geophysical drilling, well production and other information now or in the future held by it or by any other governmental agency or enterprise relating to the areas adjacent to the Contract Area;

u) shall employ safety precautions and safe working practices during the Petroleum Operations as are consistent with international petroleum practices;

v) prior to the Petroleum Operations commencement date nominate a person to act as the safety officer of CONTRACTOR who shall be the representative directly responsible for enforcing CONTRACTOR's safety rules;

w) not be liable to MOGE or the Government for special, indirect or consequential damages resulting from or arising out of the Petroleum Operations, including without limitation, loss of profit business interruption or the inability to produce Petroleum;

x) subject to Section 17.2 (q),have the right to freely import all materials, equipment and supplies required in connection with the performance of the Petroleum Operations;

y) require its contractors and sub-contractors to :

    i) export from the Republic of the Union of Myanmar all materials equipment and supplies (other than those consumed in the operations) within four (4) months from the expiration or termination date of the contract under which such materials, equipment and supplies were imported; and

    ii) be responsible for all such taxes and duties attributable to such items not exported within such four (4) month period;

z) establish an office within Myanmar to coordinate the operations to be conducted within the Contract Area;

aa) CONTRACTOR and its personnel, while in Myanmar, shall respect and abide by all laws and regulations of Myanmar, and shall refrain from interfering in the internal affairs of the Republic of the Union of Myanmar;

bb) be responsible to conduct environmental impact assessment (EIA) and social impact assessment (SIA) and to development of Environmental Management Plan (EMP) and implementation for the environmental protection and management in the Contract Area in accordance with the laws, rules, regulations, directive and notifications of the Republic of the Union of Myanmar in conformity with international petroleum industry's practices with respect to the environment protection and mitigation;

cc) collaborate with MOGE to implement the Extractive Industries Transparency Initiative;

dd) expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the code of conduct of each CONTRACTOR Party; and

ee) after the expiration or termination of this Contract, or relinquishment of part of the Contract Area, or abandonment of any field, prearrange to remove all equipment and installations from the area in a manner acceptable to MOGE, and perform all necessary site restoration activities in accordance with the applicable rules and regulations of the Government of the Republic of the Union of Myanmar and international petroleum industry practices to prevent hazards to human life and property of others or environment. Abandonment costs shall be recoverable from Cost Petroleum under Section 9.

SECTION 18

MANAGEMENT COMMITTEE

18.1 MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programmes. For the purpose of the proper implementation of this Contract, the Parties shall establish a Management Committee ("**Management Committee**") within forty-five (45) days from the Commencement of the Operation Date. The Management Committee shall have overall supervision and management of Petroleum Operations including approved Works Programmes and Budgets. The duties and responsibilities of the Management Committee shall be as prescribed in Annexure "E".

SECTION 19

STATE PARTICIPATION

19.1 MOGE shall have the right to demand from CONTRACTOR that up to twenty percent (20%) undivided interest in the total rights and obligations under this Contract be offered after Commercial Discovery. MOGE shall have the option to increase the undivided interest in the total rights and obligations under this Contract up to twenty five percent (25%) if the reserve is greater than five (5) trillion cubic feet on Barrels of Oil Equivalent (BOE) basis.

19.2 The right referred to in Section 19.1 shall lapse unless exercised by MOGE not later than ninety (90) days after CONTRACTOR's notification by registered letter to MOGE of its first Discovery of Petroleum in the Contract Area, which in the judgment of CONTRACTOR after consultation with MOGE can be produced commercially. MOGE shall make its demand known to CONTRACTOR by registered letter.

19.3 CONTRACTOR shall make its offer by registered letter to MOGE within thirty (30) days after receipt of MOGE's registered letter referred to in Section 19.2. CONTRACTOR's letter shall be accompanied by a copy of this Contract and a Draft Operating Agreement embodying the manner in which CONTRACTOR and the MOGE shall cooperate. The main principles of the Draft Operating Agreement are contained in Annexure "F" to this Contract.

19.4 The offer by CONTRACTOR to the MOGE shall be effective for a period of one hundred and eighty (180) days. If MOGE has not accepted this offer by registered letter to CONTRACTOR within the said period, CONTRACTOR shall be released from the obligation referred to in this Section.

19.5 In the event of acceptance by MOGE of CONTRACTOR's offer, MOGE shall be deemed to have acquired the undivided interest on the date of CONTRACTOR's notification to MOGE referred to in Section 19.2.

19.6 For the acquisition of an undivided interest in the total of the rights and obligations arising out of this Contract, MOGE shall reimburse CONTRACTOR an amount equal to the percentage interest acquired by MOGE pursuant to Section 19 of the sum of Petroleum Costs which CONTRACTOR has incurred for and on behalf of its activities in the Contract Area as from the Commencement of the Operation Date up to the date of MOGE's notification to CONTRACTOR exercising the rights mentioned in Section 19.1, in addition to the same percentage of the bonuses paid by the CONTRACTOR under Section 11 of this Contract. All costs incurred after such election shall be covered by the Operating Agreement between MOGE and the CONTRACTOR.

19.7 At the option of MOGE, the amount referred to in Section 19.6 shall be reimbursed:

a) either by transfer of the said amount by MOGE within three (3) months after the date of its acceptance of CONTRACTOR's offer referred to in

Section 19.3, to CONTRACTOR's account with the banking institution to be designated by CONTRACTOR in the currency in which the relevant costs have been financed or

b) by way of payment out of production of fifty percent (50%) of MOGE's production entitlements under this Contract (either as MOGE or CONTRACTOR) valued in the manner as described in Section 12 of this Contract commencing on the Commencement of Commercial Production.

19.8 At the time of its acceptance of CONTRACTOR's offer, MOGE shall state whether it wishes to reimburse in cash or out of its production entitlements in the manner indicated in Section 19.7.

19.9 If at any time MOGE wishes to dispose of all or part of its undivided interest, the CONTRACTOR shall have the right to acquire such undivided interest from MOGE on the same terms and conditions as agreed to by MOGE and the proposed transferee. The procedure to be followed will be detailed in the Operating Agreement referred to in Section 19.6.

SECTION 20

FORCE MAJEURE

20.1 In the event Force Majeure hinders, prevents or delays performance of any obligation under this Contract or the performance of any Petroleum Operations planned by CONTRACTOR for the purpose of fulfilling any such obligation:

a) the failure or delay in performance, unless due to non-availability of funds, shall be excused and the affected Party's obligations under the Contract shall be suspended while the Force Majeure continues and for a reasonable time thereafter sufficient for the affected Party to place itself in the same position as immediately prior to the occurrence of Force Majeure, and

b) the period of suspension shall be added to the term of this Contract and all designated deadlines and time periods for making payments and performing Petroleum Operations under the Contract shall be extended accordingly.

20.2 For purposes of this Contract "Force Majeure" means any event beyond the reasonable control of the Party invoking it. By way of illustration only, Force Majeure includes but shall not be limited to strikes, active hostilities or imminent threat of hostilities, blockades, riots, insurrection, fire, epidemics, natural phenomena or calamities, acts of public authorities, acts of God, substantial non-availability of services or equipment, substantial breakdown of equipment and accidents provided always that the foregoing incidents are beyond the reasonable control of the Party invoking Force Majeure.

20.3 The affected Party shall give notice to the other Party as soon as possible stating the cause of the failure or delay in performance. Similarly, it shall give notice as soon as normal conditions are restored.

20.4 The Parties shall take all reasonable measures to remove the cause for such failure or delay in performance and to minimize the consequences of any event of Force Majeure.

20.5 Neither Party shall be entitled to make any claim against the other Party for any expenses incurred due to Force Majeure.

20.6 CONTRACTOR shall have the right to terminate this Contract and shall be discharged from all obligations hereunder, specifically including the obligation to perform the minimum work commitments under Section 5.2 and the obligation to pay any deficiency under Section 5.3, if Force Majeure should continue for a period of at least twenty-four (24) consecutive months.

SECTION 21

GOVERNING LAW, JURISDICTION AND INALIENABLE RIGHTS

21.1 This Contract shall be governed by and construed and interpreted in all respects in accordance with the laws of the Republic of the Union of Myanmar.

21.2 Without prejudice to Section 22.2, the Parties hereby agree to submit to the jurisdiction of the relevant Court of Myanmar and all Courts competent to hear appeals therefrom.

21.3 Subject to Section 8(b) of the State-owned Economic Enterprises Law 1989, no term or provisions of this Contract, including the agreement of the Parties to submit to Arbitration herein, shall prevent or limit the Government of the Republic of the Union of Myanmar from exercising its inalienable rights on its natural resources.

SECTION 22

CONSULTATION AND ARBITRATION

22.1 Periodically, MOGE and CONTRACTOR shall meet to discuss the conduct of the Petroleum Operations envisaged under this Contract and will make every effort to settle amicably any problem arising therefrom.

22.2 Any and all disputes, controversies, or claims between the Parties or its Affiliates arising out of or relating to this Contract or the performance, breach, termination, or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said rules, one (1) for the MOGE, one (1) for the CONTRACTOR, the third one to be designated in accordance with the said Rules.

22.3 The place of arbitration shall be Singapore with administration by the Singapore International Arbitration Centre ("SIAC") in accordance with its Practice Note on UNCITRAL cases. The language of the arbitration shall be English.

22.4 In rendering an award, the arbitrators shall take account of the laws of the Republic of the Union of Myanmar.

22.5 The arbitral award shall be final and binding on all Parties on the matter under arbitration save in the event of:

i) fraud;

ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;

iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence; or

iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

In which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules.

Once final, judgment may be entered on the arbitral award by any court of competent jurisdiction.

Each Party agrees that its rights and obligations under this Contract are of a commercial nature. To the extent that a Party may be entitled to claim for itself or any of its assets immunity (whether sovereign or otherwise), each Party waives any claim to immunity in connection with any effort to enforce or execute any order, judgment, award or other remedy.

22.6 Each Party shall continue fully to perform all of its obligations under this Contract, other than those subject to the dispute submitted to arbitration, during the pendency of the determination.

SECTION 23

BANKING

23.1 CONTRACTOR shall supply CONTRACTOR's share of all funds necessary for Petroleum Operations in Myanmar in freely convertible currency from abroad except to the extent that Myanmar currency is generated in connection with the performance of the Petroleum Operations.

23.2 CONTRACTOR in accordance with the Foreign Investment Law and the Foreign Exchange Management Law of the Republic of the Union of Myanmar existing as of the date hereof, shall open and maintain foreign bank accounts in Myanmar at authorized banks and to receive abroad, remit abroad, retain abroad and use the entirety of the foreign exchange proceeds which are received from export and local sales of its share of Petroleum from the Contract Area or which are in any way generated in connection with the performance of the Petroleum Operations.

23.3 CONTRACTOR shall be entitled to purchase Myanmar currency at authorized banks whenever required for the Petroleum Operations and to convert into freely convertible foreign currency any excess Myanmar currency which is not then needed for local requirements.

23.4 Normal bank commissions and costs of transfers relating to currency conversions or remittances shall be borne by CONTRACTOR and shall be recoverable from Cost Petroleum.

23.5 CONTRACTOR shall be entitled to pay its foreign-controlled contractors and subcontractors and its expatriate employees in foreign currency abroad, and such contractors, subcontractors and expatriate employees shall be entitled to receive and retain such foreign currency abroad.

23.6 The provisions of Sections 23.2, 23.3, 23.4 and 23.5 shall also apply to CONTRACTOR's expatriate employees and CONTRACTOR's foreign controlled contractors, subcontractors and their expatriate employees.

23.7 Unless otherwise expressly agreed, all payments by CONTRACTOR to MOGE or the Government hereunder and all payment by MOGE or the Government to CONTRACTOR hereunder shall be made in U.S. Dollars at a bank in Myanmar or abroad as specified by the recipient.

SECTION 24

INSURANCE

24.1 As to all operations performed by the CONTRACTOR under this Contract, the CONTRACTOR shall secure and maintain insurance in accordance with Foreign Investment Law and rules and procedures relating to the Foreign Investment Law, to the extent that all such insurances are available in the local market. CONTRACTOR, however, may provide such insurance coverage to fulfill the requirements hereunder through the use of any world-wide policy or policies with Certificates of Insurance evidencing such coverage and containing a statement that such insurance shall not be materially changed or canceled without at least thirty (30) days prior written notice.

24.2 The CONTRACTOR shall require that its contractors and subcontractors procure similar insurance to those required to be procured by the CONTRACTOR and such additional insurances as CONTRACTOR shall deem appropriate, all to be evidenced by Certificates of Insurance.

24.3 To eliminate controversy, the expense and inconvenience thereof, as between MOGE and the CONTRACTOR, it is agreed that the insurance policies shall be endorsed so that the underwriters, insurers and insurance carriers of each with respect to this Contract shall not have any right of recovery against either of the Parties hereto or their representatives in any form whatsoever, and the rights of recovery with respect to this operation are mutually waived. All policies of insurance herein provided and obtained or required by either Party shall be suitably endorsed to effectuate this waiver of recovery.

SECTION 25

TERMINATION

25.1 This Contract may be terminated by the CONTRACTOR by giving not less than ninety (90) days written notice to MOGE provided, however, CONTRACTOR may not so terminate this Contract during the Exploration Period or any extension thereof prior to fulfilling the applicable conditions specified in Section 5.

25.2 This Contract shall be terminated in its entirety by MOGE if it is proved that the CONTRACTOR, acting as a company and not including actions of its employees, intentionally and knowingly is involved in political activities detrimental to the Republic of the Union of Myanmar. On such termination, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.3 If the CONTRACTOR is in material breach of any of its obligations under this Contract, MOGE shall give notice to remedy such breach within sixty (60) days. If CONTRACTOR fails to remedy such breach within the said sixty (60) days, MOGE shall have the right to terminate this Contract by delivering a notice of termination to the CONTRACTOR. Once terminated, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.4 Subject to earlier termination upon notice by CONTRACTOR pursuant to Section 25.1, this Contract shall automatically terminate in its entirety on the later of the occurrence of one of the following events:

a) If there is no Commercial Discovery of Petroleum in the Contract Area during the Exploration Period or extension thereof;

b) At the end of the Development and Production Periods relating to all Development and Production Areas within the Contract Area; or

c) At the end of the Natural Gas/Crude Oil commercialization period or extension provided for in Section 13.3.

SECTION 26

BOOKS AND ACCOUNTS AND AUDITS

26.1 Subject to the requirement of Section 17.2, CONTRACTOR shall be responsible for keeping complete books and accounts with the assistance of MOGE reflecting all Petroleum Costs as well as monies received from the sale of Petroleum, consistent with international petroleum industry practices and proceedings as described in Annexure "C" attached hereto. Should there be any inconsistency between the provisions of this Contract, and the provisions of Annexure "C", then the provisions of the Contract shall prevail.

26.2 MOGE and the Government shall have the right to inspect and audit CONTRACTOR's books and accounts relating to this Contract for any Financial Year covered by this Contract following the end of the Financial Year. Any exception must be made in writing within sixty (60) days following the completion of such audit. Such audit shall be performed within two Financial Years after the closing of the related Financial Year.

SECTION 27
GENERAL PROVISIONS

27.1 Notices

a) Notices and other communications required or permitted to be given under this Contract shall be deemed given when delivered and received in writing either by hand or through the mail, or facsimile, appropriately addressed as follows:

to MOGE:

i) By hand or mail: MYANMA OIL AND GAS ENTERPRISE
BUILDING NUMBER 44, NAY PYI TAW,
REPUBLIC OF THE UNION OF MYANMAR.

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: +95 67 411125

to CONTRACTOR PARTIES:

ENI MYANMAR B.V.

i) By hand or mail: WTC-Tower B, Strawinskylaan 1725
1077 XX Amsterdam, The Netherlands

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: +31 20 570 7170

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

i) By hand or mail: 26th Floor, Charvit Tower,
117 Tran Duy Hung St., Cau Giay Dist.
Hanoi, S.R. Vietnam

ATTENTION: VICE PRESIDNET & COO

ii) By Facsimile: +84 4 37 726 027

b) any notice given by hand delivery or registered mail shall be deemed given at the time of delivery and any notice given by facsimile shall be deemed to be given at the time transmission has been confirmed provided however, where the time of transmission falls outside the normal business hours of the recipient, delivery shall be deemed to be given at 09:00 hours (recipient's local time) on the next following business day at the location of the receipt.

c) MOGE and CONTRACTOR may change its address or addresses by giving notice of the change to each other.

27.2 Language of Text

This Contract is made and entered into in the English Language.

27.3 Effectiveness

This Contract shall be legally binding on and from the Effective Date.

27.4 Covenants Against Undue Influence

The Parties agree that they will comply with applicable anti-corruption laws of the Republic of the Union of Myanmar.

27.5 Secrecy

a) Contractor undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations in the Republic of the Union of Myanmar. The CONTRACTOR understands fully that this undertaking and obligation is a continuing one which will be binding also on its successors, legal representatives and permitted assigns, until such time when MOGE agrees in writing to release CONTRACTOR from its undertakings and obligations. CONTRACTOR may disclose data and information to government authorities if required by law and, in order to facilitate the conduct of the Petroleum Operations may also disclose data and information to affiliates, its contractors, consultants and bone fide prospective assignees provided that the CONTRACTOR obtains an undertaking by the recipient to maintain such data in strictest secrecy and confidence.

b) MOGE may use at its own discretion all the data and information obtained during the course of operations in the Republic of the Union of Myanmar but shall undertake to maintain such data and information in strictest secrecy and confidence during the term of this Contract.

27.6 Change of Conditions

In the event that any situation or condition arises due to circumstances not envisaged in the Contract that warrants amendments to the Contract the Parties shall negotiate and make the necessary amendments.

27.7 Stabilization

If a material change occurs to CONTRACTOR's economic benefits after the Commencement of the Operation Date of the Contract due to the promulgation of new laws decrees, rules and regulations, any amendment to the applicable laws, decrees, rules and regulations or any reinterpretation of any of the foregoing made by the Government, the Parties shall consult promptly and make all necessary revisions or adjustment to the relevant provisions of the Contract in order to maintain CONTRACTOR's normal economic benefit hereunder.

27.8 Entire Agreement

This Contract supersedes all prior understandings and agreements of the Parties and may not be modified by any means except by written instrument signed by both Parties. The Contract is to be read, interpreted and enforced as a single, indivisible fully integrated agreement representing the entire expression of the Parties in writing with respect to the subject matters therein contained.

IN WITNESS WHEREOF, this Contract has been executed by a duly authorized signatory of each respective Party named below at Nay Pyi Taw, the Republic of the Union of Myanmar as of the day and year first above mentioned.

Signed, sealed and delivered
for and on behalf of
MYANMA OIL AND GAS ENTERPRISE

U MYO MYINT OO
MANAGING DIRECTOR

Signed, sealed and delivered
for and on behalf of
ENI MYANMAR B.V.

NAME
TITLE

Signed, sealed and delivered
for and on behalf of
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

NAME
TITLE

WITNESS

U PE ZIN TUN
DIRECTOR GENERAL
ENERGY PLANNING DEPARTMENT

NAME
TITLE
ENI MYANMAR B.V.

NAME
TITLE
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

ANNEXURE "A" DESCRIPTION OF CONTRACT AREA

This Annexure "A" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

DESCRIPTION OFCONTRACT AREA

MOATTAMA AREAOFFSHORE DEEP WATER BLOCK MD-2

BLOCK MD-2 COORDINATES

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	15° 24' 00"	92° 09' 00"
B	15° 24' 00"	93° 21' 00"
C	14° 40' 00"	93° 21' 00"
D	14° 40' 00"	92° 09' 00"
A	15° 24' 00"	92° 09' 00"

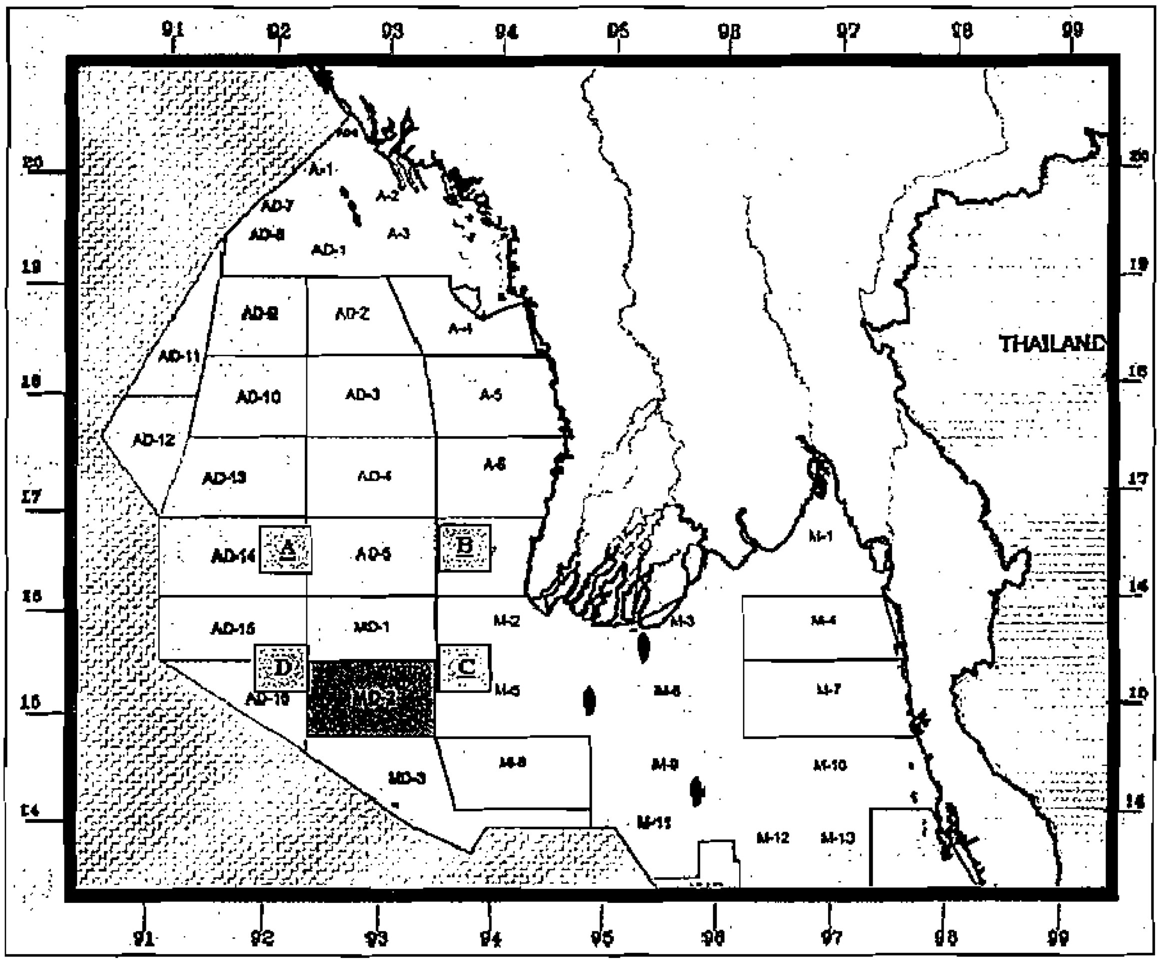
Area of Block "MD-2"= 3,988 Sq. Miles.

ANNEXURE "B" MAP OF CONTRACT AREA

This Annexure "B" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

MAP OF CONTRACT AREA



ANNEXURE "C" ACCOUNTING PROCEDURE

This Annexure "C" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

ACCOUNTING PROCEDURE

ARTICLE 1- GENERAL PROVISIONS

This Accounting Procedure applies to and shall be observed in the establishment, keeping and control of all accounts, books and records of accounts under the Contract.

The Contract and this Accounting Procedure are intended to be correlative and mutually explanatory. Should however any discrepancy arise, then the provisions of the Contract shall prevail.

The Parties agree that if any procedure established herein proves unfair or inequitable to any Party, the Parties shall meet and endeavor to agree on the changes necessary to correct that unfairness or inequity.

For the purpose of the present Accounting Procedure, the term "CONTRACTOR" shall also include CONTRACTOR's Affiliates as may be necessary according to the context.

1.1 Definitions

1.1.1 The terms used in the Accounting Procedure have the same meanings as set out for the same terms in the Contract and otherwise in accordance with the provisions of the Contract.

1.1.2 "Capital Expenditures" means expenditures incurred for the purchase of tangible physical assets which by generally accepted international accounting principles of the international petroleum industry are classified as capital and the costs of which is amortizable. Such assets include but are not limited to:

- drilling and well equipment including wellheads, casing, pipe, flow lines and pumps;
- gathering systems including pipe, field storage, and crude oil separation and treatment plants and equipment;
- pipelines for the transportation of Petroleum to the point of export, sale or delivery;
- storage tanks and loading facilities at the point of export, sale or delivery; and
- any other plant, equipment or fixture in the Republic of the Union of Myanmar reasonably necessary to carry out Petroleum Operations.

1.1.3 "Controllable Material" means Material which the CONTRACTOR subjects to record control and inventory in accordance with good international petroleum industry practice.

1.1.4 "Material" means any equipment, machinery, materials, articles, supplies and consumable either purchased, or leased, or rented or transferred by CONTRACTOR and used in the Petroleum Operations.

1.2 Books and Record

Books and records of accounts will be kept in accordance with a generally accepted and recognized accounting system consistent with modern petroleum industry practices and procedures and in English language and U.S. Dollars, supplemented and supported by such books, records or entries in other currencies as may be necessary for completeness and clarity and to implement the Contract in accordance with its terms.

1.3 Currency Exchange

Any costs incurred or proceeds received, in currency other than U.S. Dollars including the currency of the Republic of the Union of Myanmar shall be converted into U.S. Dollars computed at the prevailing rate of exchange on the day on which the costs were paid or the proceeds were received.

1.4 Independent Auditor

The CONTRACTOR shall in consultation with MOGE, appoint an independent auditor of international standing, to audit annually the accounts and records of Petroleum Operations and report thereon, and the cost of such audit and report shall be promptly delivered to the MOGE and shall be chargeable under the CONTRACT.

ARTICLE 2 - PETROLEUM COSTS

2.1 The parties shall maintain a "Petroleum Costs Account" in which there shall be reflected all Petroleum Costs incurred in connection with the Petroleum Operations carried out under the provisions of the Contract.

Such Petroleum Costs shall be recoverable by the CONTRACTOR in accordance with the provisions of the Contract and as further set out below. Without limiting the generality of the foregoing, the costs and expenditures considered in 2.2 to 2.12 hereafter are included in Petroleum Costs.

Petroleum Costs shall be recoverable in following manner:

a) Operating Costs, including all tangible drilling costs, with the exception of the Capital Expenditure, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which these Operating Costs are incurred or the Financial Year in which commercial production occurs, whichever is the later.

b) Exploration and Appraisal Expenditures, incurred in respect of the Contract Area, shall be recoverable in the Financial Year in which commercial production occurs.

c) Capital Expenditures incurred in respect of each Development Area shall be recoverable at a rate of twenty five percent (25%) per annum based on amortization at that rate starting either in the Financial Year in which such Capital expenditures are incurred or the Financial Year in which commercial production from that Development and Production Area commences, whichever is the later.

d) Capital Expenditures, including but not limited to expenditure for aircraft, camps, offices, warehouses, vehicles, workshops, power plants, tools, and equipment, incurred outside of a Development and Production Area, shall be recoverable at a rate of twenty-five (25%) per annum, based on amortization at that rate starting either in the Financial Year in which such Capital Expenditures are incurred or the Financial Year in which commercial production from any Development and Production Area commences, whichever is the later, and shall be recoverable from any Development and Production Area(s).

e) Accrual of estimated abandonment costs shall be recoverable from the Financial Year in which commercial production from each Development and Production Area commences.

2.2 Labour and related costs

2.2.1 CONTRACTOR's locally recruited employees based in the Republic of the Union of Myanmar.

The actual cost of all CONTRACTOR's locally recruited employees who are directly engaged in the conduct of Petroleum Operations in the Republic of the Union of Myanmar. Such costs shall include the costs of employee benefits and Government benefits for employees and taxes and other charges levied on the CONTRACTOR as an employer, transportation and relocation costs within the Republic of the Union of Myanmar and costs of the employee and such employee's family (limited to spouse and dependent children), as statutory or customary for the CONTRACTOR.

2.2.2 Assigned personnel

The cost of the personnel of CONTRACTOR and its Affiliates resident in and working in the Republic of the Union of Myanmar for the Petroleum Operations under this Contract.

The cost of these personnel shall be the CONTRACTOR's actual cost according to CONTRACTOR's practice.

Actual cost includes, but is not limited to, free furnished accommodation in the Republic of the Union of Myanmar, medical and dental treatment

of the employee and immediate family, local schooling expenses and any other local employment cost paid by the CONTRACTOR.

2.2.3 Personnel of the CONTRACTOR and its Affiliates based outside the Republic of the Union of Myanmar working for the Petroleum Operations on a time sheet basis under this Contract.

Such personnel shall be charged at rates which represent the CONTRACTOR and its Affiliates actual cost under this Contract. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside CONTRACTOR and its Affiliates home country, the hourly rate will be charged from the date such personnel leave the town where they usually work in CONTRACTOR and its Affiliates home country through their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employees from his employment in CONTRACTOR and its Affiliates home country. No charge will be made for overtime.

As early as possible in each Financial Year, the CONTRACTOR shall advise these hourly rates for each subsequent Year. They may be subject to revision from time to time at the CONTRACTOR's initiative.

2.2.4 Other personnel

Personnel working for the Petroleum Operations under this Contract outside the Republic of the Union of Myanmar for the CONTRACTOR and its Affiliates who are not on a time sheet basis shall be deemed compensated as per the administrative overheads set forth in subpart 2.11 below.

2.2.5 Provisions common to Subpart 2.2.2 and 2.2.3

Subpart 2.2.2 and 2.2.3 above have been agreed upon considering the present structure of the CONTRACTOR. Should the CONTRACTOR be charged, or should the CONTRACTOR change their present structure or organization, these subparts shall be revised accordingly.

2.2.6 Employees training expenses

Training expenses for the CONTRACTOR's employees resident in the Republic of the Union of Myanmar and the CONTRACTOR's contribution to training under Section 15 of the Contract.

2.3 Material

2.3.1 The cost of Material shall be charged to the Petroleum Costs Account on the basis set forth below.

The CONTRACTOR does not guarantee the Material. The only guarantees are the guarantees given by the manufactures or the vendors, as long as, they are in force.

2.3.1.1 Except as otherwise provided in Subpart 2.3.1.2 below, Material shall be charged at the actual net cost incurred by the CONTRACTOR. Net cost shall include, but shall not be limited to such items as the vendor's invoice price, packaging, transportation, loading and unloading expenses, insurance costs, duties, fees and applicable taxes less discounts actually received.

2.3.1.2 Material shall be charged at the price specified herein below:

a) New Material (Condition "A") shall be valued at the current international net cost which shall not exceed the price prevailing in normal arm's length transaction on the open market:

b) Used material (Condition "B", "C" and "D" and junk Material)

i) Material which is sound and serviceable condition and is suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy-five (75%) of the current price of new Material defined in a) above;

ii) Material which cannot be classified as Condition "B" but which after reconditioning will be serviceable for its original function shall be classified as Condition "C" and price at fifty percent (50%) of the current price of new Material as defined in a) above. The cost of reconditioning shall be charged to the reconditioned Material provided that the value of the Condition "C" Material plus the cost of reconditioning do not exceed the value of Condition "B" Material;

iii) Material which has a value and which cannot be classified as Condition "B" or Condition "C" shall be classified as Condition "D" and priced at value commensurate with its use.

iv) Material which is usable and which cannot be classified as Condition "B" or Condition "C" or Condition "D" shall be classified as junk and shall be considered as having no value.

2.3.2 Inventories

At reasonable intervals, inventories shall be taken by the CONTRACTOR of all controllable Material. The CONTRACTOR shall give sixty (60) days written notice of intention to take such inventories to

allow the MOGE to choose whether to be represented (in which case the MOGE shall elect to accept the inventory taken by the CONTRACTOR).

2.4 Transportation and employee relocation costs

2.4.1 Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air freight, and customs clearance and other destination services.

2.4.2 Transportation of employees as required in the conduct of Petroleum Operations, including employees of the CONTRACTOR's whose salaries and wages are chargeable under subparts 2.2.2 and 2.2.3 of this Accounting Procedure.

2.4.3 Relocation costs for employees permanently of temporarily assigned to Petroleum Operations. Relocation costs from the vicinity of Petroleum Operations, except when an employee is reassigned to another location classified as a foreign location by the CONTRACTOR. Such costs include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the usual practice of the CONTRACTOR.

2.5 Services

2.5.1 The actual costs of contract services, professional consultants and other services performed by third parties.

2.5.2 Costs of use of facilities and equipment for the direct benefit of the Petroleum Operations, furnished by the CONTRACTOR, or third parties, at rates commensurate with the cost of ownership, or rental, and the cost of operation thereof, but such rates shall not exceed those currently prevailing in normal arm's length transactions on the open market for like services and equipment.

2.6 Damages and losses to material and facilities

All costs or expenses necessary for the repair or replacement of Material and facilities resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The CONTRACTOR shall furnish to the MOGE written notice of damages or losses for each occurrence or loss involving more than U.S. Dollars One Hundred Thousand (US$100,000) after the loss occurrence or as soon as practicable.

2.7 Insurance Claims

2.7.1 Premiums paid for insurance to cover the risks related to Petroleum Operations according to the CONTRACTOR's practice.

2.7.2 Actual expenditure incurred in the settlement of all losses, claims,

damages, judgments, and other expenses (including legal expenses as set out below) for the benefit of the Petroleum Operations.

2.8 Legal Expenses

All costs or expenses of litigation or legal services otherwise necessary or expedient including but not limited to legal counsel's fees, arbitration costs, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These services may be performed by the CONTRACTOR's legal staff and/or an outside firm as necessary.

2.9 Charges and fees

i) All charges and fees which have been paid by the CONTRACTOR with respect to the Contract.

ii) All financing interests for the Capital Expenditures incurred during the Development Period of which interest rate shall be decided according to market prevailing rate at that time applicable to Myanmar or to be arranged by CONTRACTOR.

2.10 Offices, camps and miscellaneous facilities

Cost of establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities such as recreational facilities for employees. If these facilities serve more than one (1) contract area the costs thereof shall be allocated on an equitable basis.

2.11 General and administrative expenses

2.11.1 The services for all personnel of the CONTRACTOR as per subpart 2.2.4 as well as the contribution of the CONTRACTOR's to the Petroleum Operations of an intangible nature shall be deemed compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2 The basis for applying this overhead charge shall be the total Petroleum Costs incurred during each Financial Year or fraction thereof.

The sliding scale percentage shall be the following: -

For the first U.S. Dollars Five Million:	4%
For the next U.S. Dollars Three Million:	2%
For the next U.S. Dollars Four Million:	1%
Over U.S. Dollars Twelve Million:	0.5%

2.12 Other Expenditures

Any reasonable expenditure not covered or dealt with in the foregoing provisions which are incurred by the CONTRACTOR for the necessary and proper performance of the Petroleum Operations and the carrying out its obligations under the Contract or related thereto.

2.13 Credits under the contract

The net proceeds of the following transactions will be credited to the accounts under the Contract.

a) the net proceeds of any insurance or claim in connection with the Petroleum Operations or any assets charged to the accounts under the Contract.

b) revenue received from outsiders for the use of property or assets charged to the accounts under the Contract which have become surplus to Petroleum Operations and have been released to mitigate losses;

c) any adjustment received by CONTRACTOR from the suppliers/manufacturers or their agents in connections with defective equipment or material the cost of which was previously charged by the CONTRACTOR under the Contract;

d) rentals, refunds or other credits received by the CONTRACTOR which apply to any charge which has been made to the accounts under the Contract;

e) proceeds from all sales of surplus Materials charges to the account under the Contract, at the net amount actually collected.

2.14 No duplication of charges and credits

Notwithstanding any provision to the contrary in this Accounting Procedure, it is the intention that there shall be no duplication of charges or credits in the accounts under the Contract.

ARTICLE 3 - FINANCIAL REPORTS TO THE MOGE

3.1 The reporting obligations provided for in this Part shall apply to the CONTRACTOR and shall be in the manner indicated hereunder.

3.2 The CONTRACTOR shall submit to MOGE within thirty (30) days of the end of each Quarter:

3.2.1 A report of expenditure and receipts under the Contract analyzed by budget item showing:

a) actual expenditure and receipts for the Quarter in question;

b) actual cumulative expenditure to date;

c) latest forecast of cumulative expenditure at Year end; and

d) variances between budget, and actual expenditure and explanations thereto.

3.2.2 A cost recovery statement containing the following information:

a) recoverable Petroleum Costs brought forward from the previous Quarter, if any;

b) recoverable Petroleum Costs incurred during the Quarter;

c) total recoverable Petroleum Costs for the Quarter, i.e a) plus b) above;

d) quantity and value of Cost Petroleum taken and separately disposed of by the CONTRACTOR for the Quarter;

e) amount of Petroleum recovered for the Quarter; and

f) amount of recoverable Petroleum Costs to be carried forward into the next Quarter, if any.

3.3 After the commencement of production the CONTRACTOR shall, within thirty (30) days after the end of each month, submit a production report to the MOGE showing for each Development and Production Area the quantity of Petroleum:

a) held in stocks at the beginning of the month

b) produced during the month

c) lifted, and by whom;

d) lost and consumed in Petroleum Operations, and

e) held in stocks at the end of the month.

3.4 A lifting Party shall submit, within thirty (30) days after the end of month, a report to the MOGE stating the quantities and sales value of each Petroleum sales made in that month.

ANNEXURE "D" PARENT COMPANY GUARANTEE

This Annexure "D" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. ("CONTRACTOR") as stated and referred to in Section 5.4 of this Contract.

LETTER OF PARENT COMPANY GUARANTEE

Date: , 2015.

We hereby absolutely and unconditionally guarantee to the Myanma Oil and Gas Enterprise, Ministry of Energy, the Government of the Republic of the Union of Myanmar that the CONTRACTOR Party ("................") is financially sound and technically competent and shall perform the tasks such as funding necessary capital, assets and supplying machinery, equipment, tools, technicians, specialists and discharge of expenditure obligations undertaken by it through the Moattama Area Offshore Deep Water Block MD-2 Production Sharing Contract, for the exploration, extraction and development work of the Moattama Area Offshore Deep Water Block MD-2 and we irrevocably undertake that if the CONTRACTOR fails to perform its minimum expenditures commitments under Section 5.2, we shall, following receipt of a demand from the Myanma Oil and Gas Enterprise, incur such expenditure to ensure that the minimum expenditure commitment are met.

Notwithstanding anything to the contrary contained or implied herein, our liability under this guarantee shall not exceed an amount equal to Ninety (90) percent of the aggregate value of its minimum expenditure commitment expressly provided for under Section 5.2 less Ninety (90) percent of the expenditure already incurred by the CONTRACTOR with respect to its minimum expenditure commitment.

This guarantee shall be effective from the date of signing of the Production Sharing Contract and shall remain in force to the successive limited periods and up to the last exploration period if extended by the consent of the contracting parties in accordance with Section 5.2 (a) to (g) and 5.3 of this Contract.

For and on behalf of

____

ANNEXURE "E" MANAGEMENT PROCEDURE

This Annexure "E" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

MANAGEMENT PROCEDURE

1. MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programme. To obtain the benefits of mutual co-operation and to co-ordinate their efforts under the Contract, a "Management Committee" shall be established consisting of four (4) representatives appointed by MOGE, one whom shall act as Chairman of the Management Committee and three (3) representatives appointed by CONTRACTOR.

2. The initial appointment of representatives to the Management Committee shall be made by MOGE and by CONTRACTOR, by notice given to the other within thirty (30) days from the Commencement of the Operation Date, advising the names of their respective representatives and such appointments may be changed thereafter from time to time by similar notice from the changing Party to the other.

3. All decisions required to be taken by the Management Committee shall be taken by the unanimous vote of the representatives present at the meeting, it being understood that no such decisions shall be valid unless at least one representative of MOGE and one representative of the CONTRACTOR is present at the meeting. Decisions taken by the Management Committee shall be recorded in minutes signed on behalf of both MOGE and CONTRACTOR and shall be binding on the Parties hereto.

4. The Management Committee shall meet whenever required by MOGE or by CONTRACTOR, subject to 15 days prior notice to its members which notice shall include the agenda for the meeting.

5. The Management Committee shall have the following functions and responsibilities under this Contract.

    a) To provide the opportunity for and to encourage the exchange of information, views, ideas and suggestions regarding plans, performances and results obtained under the Contract.

    b) To review and approve Work Programmes and Budgets proposed by CONTRACTOR, taking into consideration any revisions thereto proposed by MOGE and further revision by both Parties.

    c) To co-ordinate on all technical, financial, administrative and policy matters of interest to both Parties.

d) In case of Discovery of Petroleum to review and approve any proposal for the appraisal and development of such discovery.

e) To consider and act upon recommendations made to the Management Committee by its sub-committees.

f) To co-operate towards implementation of the Contract in accordance with its terms.

6. To facilitate the discharge of its functions, the Management Committee shall appoint sub-committees composed of representatives of both MOGE and the CONTRACTOR such as but not limited to:

a) Technical Sub-committee to review and consult upon Work Programme and any variation thereof, to supervise all safety procedures to be used in the conduct of Petroleum Operations, to advise the Parties on the progress of the current Work Programme pertaining to exploration, development and production and to perform any other task that the Parties may describe by common agreement.

b) Procurement Sub-committee to review and recommend the international tender being applied for purchase of equipment and the selection of sub-contractors and supplies of services for Petroleum Operations hereunder.

c) Accounting Sub-committee to review the incomes and expenditures related to Petroleum Operations in accordance with this Contract and any questions arising thereto.

d) Petroleum Valuation Sub-committee to set the value, the International Market Price FOB Myanmar per barrel of Crude Oil for purpose of Cost Recovery and division of net sales proceeds. The valuation shall be based upon inquiries made by MOGE and CONTRACTOR internationally for the specific type of quality of Crude Oil such as API gravity, sulphur content, viscosity, pour point, etc. The valuation of Natural Gas will be determined at Delivery Point to gas buyer.

ANNEXURE "F" MEMORANDUM ON PARTICIPATION

This Annexure "F" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

MEMORANDUM ON PARTICIPATION

The Draft Operating Agreement between CONTRACTOR and MOGE referred to in Section 19.3 shall embody, inter alia, the following main principles:

1. CONTRACTOR shall be the sole Operator of the venture under properly defined rights and obligations.

2. Authorized representatives of both Parties shall meet periodically for the purpose of conducting the venture's operations. All decisions shall be taken by majority vote except in case of terminating the main Contract which decision shall require the unanimous consent of both Parties. However if either of the Parties wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. Both Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

4. The Operator shall prepare the annual Work Programme and Budgets which shall be submitted to the authorized representative of both Parties for decision prior to their submission to MOGE in accordance with the provisions of the main Contract.

5. In respect of any exploratory drilling operation other than exploratory drilling operations required, or which may serve, to fulfill the minimum work obligations, defined in Section 5 of the Contract , a "Sole Risk" provision shall be made which assure either Party that it does not have to participate in such operation if it were to disagree to the inclusion of such operation in the Work Programme and Budget and which in case of success adequately compensates the Sole Risk Party for the cost and risk incurred by the latter.

6. Subject to adequate lifting tolerances each Party shall offtake at CONTRACTOR's point of export its production entitlement. However, if MOGE is not in a position to market such quantity wholly or partly it shall in respect of the quantity which it cannot market itself have the option under an adequate notification procedure; either to require CONTRACTOR to purchase that quantity, or to lift that quantity at a later date under an adequate procedure within the period of time defined in such related procedures.

7. If Natural Gas (associated gas and non-associated gas) is encountered in commercial quantities, special provisions shall be drawn having due regard inter alia, to the long term character of Natural Gas Supply Contracts.

ANNEXURE "G"

This Annexure "G" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. as stated and referred to in Section 5.4 of this Contract.

Dated: 2015.

PERFORMANCE BANK GUARANTEE

[SEAL]

Letter of Guarantee No.
....

Dear Sirs,

By order of .... Bank, and for account of .... we hereby issue a guarantee under their counter guarantee No............dated .... for Euro / US$ .... (Euro/US$ .... only) as follows;-

WHEREAS THE **MYANMA OIL AND GAS ENTERPRISE**, NAY PYI TAW, MYANMAR (HEREINAFTER CALLED THE MOGE) HAS ENTERED INTO A PRODUCTION SHARING CONTRACT WITH .... (HEREINAFTER CALLED THE CONTRACTOR) ON .... FOR THE PETROLEUM OPERATIONS OF....... IN 3/BLOCK NO. .... DATED .... (HEREINAFTER CALLED THE PSC) AND IN THE EVENT, ...THE CONTRACTOR BECOMES LIABLE TO MOGE ANY SUM OR SUMS OF MONEY DUE TO THE FAILURE OF THE CONTRACTOR TO EXECUTE AND PERFORM. ITS MINIMUM EXPENDITURE COMMITMENT FOR IN THE PSC, 1/ WE HEREBY IRREVOCABLY AND UNCONDITIONALLY GUARANTEE TO PAY MOGE WITHIN (10) WORKING DAYS THE AMOUNT EQUAL TO TEN (10) PERCENT OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC CLAIMED BY MOGE, 2/ **ON YOUR FIRST WRITTEN DEMAND ACCOMPANIED BY YOUR WRITTEN DECLARATION** THAT THE CONTRACTOR HAS 3/ **FAILED TO EXECUTE AND PERFORM ANY OF THE OBLIGATIONS** UNDER THE TERMS AND CONDITIONS OF THE AFORESAID CONTRACT.

1/ The Obligation of Guarantee

2/ Condition of Beneficiary's Demand

3/ Guarantee Amount, Contract No., Expiry, Condition of Beneficiary's Demand if failed to comply with contract terms

OUR LIABILITY HEREUNDER IS NOT TO EXECEED IN THE AGGREGATE THE SUM OF 3/ EURO/US$ ..../- (... ONLY) BEING THE TEN PERCENT (10 PERCENT) OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC. A DEMAND FOR REFUND AMOUNT SHALL BE MADE IN WRITING AND SUBSTANTIATED WITH RESPECTIVE DOCUMENTS.

THIS PERFORMANCE BANK GUARANTEE ISSUE IN THE FORM OF BANK GUARANTEE BY US. ON THE ACCOUNT OF THE CONTRACTOR, SHALL BE EXPIRED THREE (3) YEARS FROM THE DATE OF ISSUE OF THIS 3/ PERFORMANCE GUARANTEE.

ALL CLAIMS UNDER THIS GUARANTEE MUST BE RECEIVED BY US IN MYANMAR ON OR BEFORE THE EXPIRY DATE, AFTER WHICH THIS GUARANTEE SHALL BE VOID AND NO CLAIM FOR PAYMENT SHALL BE PERMITTED OR ENTERED BY US NOTWITHSTANDING THAT THIS GUARANTEE MAY NOT HAVE BEEN RETURNED TO US FOR CANCELLATION.

THIS GUARANTEE IS NOT TRANSFERABLE OR ASSIGNABLE.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. BY ACCEPTANCE HEREOF, YOU IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE SINGAPORE COURTS.

Our liability under this Guarantee is limited to the sum of EURO/US$ .... /- (EURO/$ ....only) and any claim hereunder must be submitted in writing to this office, during normal banking hours, within the validity of this guarantee.

This guarantee must be returned to us for cancellation as soon as it expires.

Yours faithfully,

COUNTERSIGNED

ANY STATE OWNED BANKS IN MYANMAR

MANAGER
FINANCING & GUARANTEE DEPT

ASSISTANT MANAGER
GUARANTEE DEPT

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ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
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သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ကိစ္စ

ရည်ညွှန်းချက်။ ယင်း၏ ၈-၇-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၁၂/၃၂၂/ထ(၅၇၇/၂၀၁၄)

ကမ်းလွန်လုပ်ကွက် ၂၀ တွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ပထမအကြိမ် ကမ်းလွန်လုပ်ကွက်များအတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုထားသော Selected Candidates ကုမ္ပဏီများအား ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းနှင့်စပ်လျဉ်း၍ ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်ရန် အကြောင်းကြားအပ်ပါသည်။

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နေပြည်တော်

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ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၁၇ ရက်

အကြောင်းအရာ။ တနင်္သာရီ ကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-4 နှင့် မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2 တို့တွင်ရေနံနှင့် သဘာဝ ဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက်ချုပ်ဆိုမည့် Production Sharing Contract (မူကြမ်း) ၂ ရပ်အပေါ် သဘောထားမှတ်ချက်ပေးပါရန်ကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၂-၁၀-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ပ၀၈/၉၁၉ /ထ (၈၇၂ /၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ကမ်းလွန်လုပ်ကွက်များဖြစ်သော တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-4 နှင့် မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန် အတွက် Eni Myanmar B.V (Eni) နှင့် Petrovietnam Production Corporation Exploration Ltd (PVEP) တို့နှင့် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE)တို့အကြား ချုပ်ဆို ဆောင်ရွက်မည့် Production Sharing Contract for the Exploration and Production of Petroleum (PSC)(မူကြမ်း) ၂ ရပ် အပေါ် သဘောထားမှတ်ချက်ပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် မေတ္တာရပ်ခံလာသော ကိစ္စ ဖြစ်ပါသည်။

လျှို့ဝှက်

၂။ ပေးပို့လာသော စာချုပ်(မူကြမ်း) ၂ ရပ်တွင် လုပ်ကွက်တည်နေရာများကွဲပြားခြားနားသော်လည်း လုပ်ငန်းဆောင်ရွက်မည့်ကုမ္ပဏီများမှာတူညီပြီး စာချုပ်ပုံစံများမှာလည်း အချို့အချက်များမှလွဲ၍ပုံစံတစ်မျိုး တည်းရေးသားပြုစုထားသဖြင့် တစ်ပေါင်းတည်းစိစစ်အကြံပြုထားပါသည်။

၃။ ပူးတွဲပေးပို့လာသော စာချုပ်(မူကြမ်း)များကို ဥပဒေရှုထောင့်မှ လေ့လာစိစစ်ပြီး အောက်ပါအတိုင်း သုံးသပ်အကြံပြုအပ်ပါသည် -

(က) စာချုပ်(မူကြမ်း)များပါ စာပိုဒ်များ၌ ရည်ညွှန်းထားသော Section များနှင့် စာမျက်နှာမှန်ကန်မှုရှိစေရန် ဌာနမှ ပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ခ) စာချုပ်(မူကြမ်း)များ စာချုပ်ဝင်များစာပိုဒ်အောက်တွင် ဖော်ပြထားသော "စာချုပ်ဝင်များသည် တစ်ဦးချင်းသော်လည်းကောင်း၊ ပူးတွဲ၍သော်လည်းကောင်း တာဝန်ရှိကြောင်းစာပိုဒ်ကို Section 17.2 Contractor ၏ Obligations တွင် စည်းကမ်းချက်တစ်ရပ်အဖြစ် ထည့်သွင်းသင့်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း)များ Section 1 Definitions၊ အပိုဒ် 1. 21 Development and Production Operations နှင့် 1.28 Exploration Operations တို့၏ အဓိပ္ပာယ်ဖွင့်ဆိုချက်၌ "within or outside the Contract Area" ဟုလည်းကောင်း၊ အပိုဒ် 8 Development and Production ၊ အပိုဒ်ခွဲ 8.3 (b) ၌ Development Plan ထဲတွင် Contract Area အတွင်းသာမက Contract Area ပြင်ပ (----within and outside of the Contract Area)ပါ ပါဝင်သည်ဟုလည်းကောင်း ဖော်ပြထားသည်ကိုတွေ့ရှိရပါသည်။ Development Plan, Production Exploration သည် Annexure A နှင့် B တွင်ဖော်ပြထားသော Contract Area အတွင်း၌သာဆောင်ရွက်ရမည်

ဖြစ်ပါသော ကြောင့် "outside of the Contract Area"ဟူသော စာသားကို ပယ်ဖျက် သင့်သည်ဟုယူဆပါသည်၊

(ဃ) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 3.4တွင် Study Period ပြီးဆုံးသည့်အချိန်တွင် Exploration Operations ကိုဆက်လက်ဆောင်ရွက်ခြင်းမပြုရန် Contractor က ဆုံးဖြတ်ပါက ဌာနသို့ Study Period မပြီးမီ(၁၅)ရက် ကြိုတင်အကြောင်းကြား စာရေးသားပေးပို့ပြီး Contractor ဘက်မှစာချုပ်အားရပ်စဲနိုင်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(င) MD-2 လုပ်ကွက်၏ စာချုပ်(မူကြမ်း) အပိုဒ် 2.4 နှင့် အပိုဒ် 11.1 တို့တွင် Contractor သည် ကနဦး တူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်သည့်နေ့မှ ရက်ပေါင်း (၃၀) အတွင်း Signature Bonus ပေးမည်ဖြစ်ကြောင်းဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး ၂ နှစ်အတွင်း ဆောင်ရွက်ရန်ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကို စတင်သဖြင့် လုပ်ငန်းစတင်သည့်နေ့မှ ၂ နှစ်ကြာသည်အထိ Signature Bonus မရနိုင်သည့် သဘောဖြစ်နေသည်ဟု ယူဆ၍ ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(စ) MD-4 လုပ်ကွက်၏ စာချုပ်(မူကြမ်း) အပိုဒ် 2.6 နှင့် အပိုဒ် 11.1 တို့တွင် Contractor သည် လုပ်ငန်းစတင်သည့်နေ့မှ နောက်ရက်ပေါင်း(၃၀)အတွင်း Data Fee ပေးရမည်ဖြစ်ကြောင်းဖော်ပြထားပါသည်။ လုပ်ငန်းမစတင်နိုင်လျှင် Data Fee မရနိုင်သည်ကို ဌာနအနေဖြင့် သတိပြုသင့်ပါသည်၊

(ဆ) ထို့အပြင် MD-4 လုပ်ကွက်၏ စာချုပ်(မူကြမ်း)အပိုဒ် 11.2 Signature Bonus တွင် Section 3.4 အရ Contractor သည် စာချုပ်ရပ်စဲရန် အခွင့်အရေးကိုကျင့်သုံးခဲ့ခြင်းမရှိပါက Contractor သည်ကနဦးတူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်ပြီးသည့်နေ့မှ နောက်ရက်ပေါင်း ၃၀ အတွင်း Signature Bonus ပေးမည်ကြောင်းဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး ၂ နှစ်အတွင်း ဆောင်ရွက်ရန်ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကို စတင်သဖြင့် လုပ်ငန်းစတင်သည့်နေ့မှ ၂နှစ်ကြာသည်အထိ Signature Bonus မရနိုင်သည့်သဘောဖြစ်နေသည်ဟု ယူဆပါသဖြင့်လည်းကောင်း၊ အပိုဒ် 3.4 အရ Contractor သည် စာချုပ်ကိုရပ်စဲရန် အခွင့်အရေးကိုမကျင့်သုံးပါမှ Signature Bonus ရနိုင်မည်ဖြစ်သဖြင့်လည်းကောင်း ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(ဇ) စာချုပ်(မူကြမ်း) များအပိုဒ်ခွဲ 12.7 တွင် ထုတ်လုပ်ရရှိသည့် သဘာဝဓာတ်ငွေ့များကို Contractor ဘက်က အသိအမှတ်ပြုသည့် ဈေးနှုန်း ဖြင့်သာ ရောင်းချရန် ဖော်ပြထားချက်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(ဈ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 14.2 တွင် Crude Oil ရောင်းချငွေများကို (၄၅)ရက်အတွင်း Contractor သို့ပေးချေရန်၊ အကယ်၍ (၄၅)ရက်ကျော်လွန်ပါက ဒဏ်ကြေးငွေအဖြစ် LIBOR Plus 3% ကို ဌာနက Contractor သို့ ထပ်ဆောင်းပေးရမည်ဖြစ်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှ သတိပြုသင့်ပါသည်၊

(ည) စာချုပ်(မူကြမ်း)များ Section 16 Title of Assets အပိုဒ် 16.2 ၏ ဒုတိယဝါကျ၌ Contractor သည် "copies of all data, information ----- outing and Petroleum စသည်တို့ကို မြန်မာနိုင်ငံအတွင်း သို့မဟုတ် ပြင်ပ(within or outside Myanmar)၌ လွတ်လပ်စွာသုံးစွဲနိုင်သည်" ဟူသော ဖော်ပြချက်နှင့်စပ်လျဉ်း၍ ဌာနအနေဖြင့် လက်ခံနိုင်ခြင်းရှိ မရှိ စိစစ်သင့်ပါသည်၊

(ဋ) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 17.1 တွင် MOGE မှဆောင်ရွက်ရန် စည်းကမ်းချက်များကိုဖော်ပြထားရာ ဌာနမှလက်ခံဆောင်ရွက်နိုင်ခြင်းရှိ မရှိ ကြိုတင်စိစစ်ထားသင့်ပါသည်၊

(ဌ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (s) နှင့် (t) တို့တွင် MOGE မှ ဆောင်ရွက်ပေးရန်ဖော်ပြထားသည့်စည်းကမ်းချက်များပါရှိကြောင်းတွေ့ရှိရသဖြင့်အဆိုပါ MOGE မှ ဆောင်ရွက်ရမည့်စည်းကမ်းချက်များကို အပိုဒ်ခွဲ 17.1 ရှိ MOGE ၏ အခွင့်အရေးနှင့် တာဝန်များခေါင်းစဉ်အောက်တွင်သာ ဖော်ပြသင့်ပါသည်၊

(ဍ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (w) တွင် Contractor သည် Petroleum Operations ကြောင့် အထူး သို့မဟုတ် သွယ်ဝိုက်၍ပေါ်ပေါက်လာမည့်ထိခိုက်ဆုံးရှုံးမှုများနှင့်စပ်လျဉ်း၍ MOGE သို့မဟုတ် Government သို့ တာဝန်မရှိကြောင်း ဖော်ပြထားချက်အား ဌာနမှသတိပြုသင့်ပါသည်၊

(ဎ) စာချုပ်(မူကြမ်း)များ Section 20 Force Majeure အပိုဒ်ခွဲ 20.2 တွင် "acts of public authorities" ဟု ဖော်ပြထားရာ "acts" ဟု သုံးနှုန်းခြင်း

မှာကျယ်ပြန့်သည်ဟုယူဆပါသည်။ မည်သည့်ပြုလုပ်ဆောင်ရွက် မှုကို ဆိုလိုကြောင်း ရှင်းလင်းစွာဖော်ပြသင့်ပါသည်၊

(ဏ) စာချုပ်(မူကြမ်း)များ Section 22 Consultation and Arbitration အပိုဒ် 22.5 တွင် စာချုပ်ဝင်အသီးသီးအနေဖြင့် အမိန့်၊ စီရင်ချက်၊ ဆုံးဖြတ်ချက် သို့မဟုတ် အခြားကုစားခွင့်တစ်ရပ်ရပ်ကိုအကောင်အထည်ဖော်ခြင်းနှင့် စပ်လျဉ်းသောတောင်းဆိုမှုတစ်ခုခုအားစွန့်လွှတ်ကြောင်း ထပ်မံဖြည့်စွက်ထားသည်ကိုတွေ့ရှိရပါသည်။ ယင်းစည်းကမ်းချက်နှင့် စပ်လျဉ်း၍ စာချုပ်ဝင်များ၏ တရားစွဲဆိုနိုင်ခွင့်နှင့် တရားစွဲဆိုခံပိုင်ခွင့်တို့ကို ထပ်မံဖော်ပြထားခြင်းဖြစ်သောကြောင့်ဥပဒေကြောင်းအရ ကန့်ကွက်ရန်မရှိပါ။ ဌာန၏စီမံခန့်ခွဲရေးဘောင်အတွင်းမှ ဆုံးဖြတ်ရန်ဖြစ်ပါသည်၊

(တ) စာချုပ်(မူကြမ်း)များ Section 23 Banking နှင့် စပ်လျဉ်း၍ ဘဏ္ဍာရေးဝန်ကြီးဌာနနှင့် ညှိနှိုင်းဆောင်ရွက်သင့်ပါသည်၊

(ထ) စာချုပ်(မူကြမ်း)များ Section 26 နှင့် Annexure C ပါ Accounting Procedure တို့နှင့်စပ်လျဉ်း၍ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘောထားမှတ်ချက်ကို ရယူသင့်ပါသည်၊

(ဒ) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်က ၁၄-၈-၂၀၁၄ ရက်စွဲဖြင့် ထုတ်ပြန်ကြေငြာခဲ့သော အမိန့်ကြော်ငြာစာအမှတ် ၅၀/ ၂၀၁၄ "ပတ်ဝန်းကျင်ထိခိုက်မှုဆန်းစစ်ချက်ရယူရန်လိုအပ်သည့် စီးပွားရေးလုပ်ငန်းအမျိုးအစားသတ်မှတ်ခြင်း" ၌ အမှတ်စဉ် ၂ တွင် "ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေတူးဖော်ထုတ်လုပ်ခြင်း၊ ရေနံချက်စက်ရုံ သို့မဟုတ် ရေနံဓာတုဗေဒစက်ရုံတည်

ဆောက်အကောင်အထည်ဖော်ခြင်းလုပ်ငန်း" အား ဖော်ပြထားသည်ကို သိရှိနိုင်ရန်အတွက် ဖော်ပြအပ်ပါသည်။

၃။ ဤစာချုပ်(မူကြမ်း) ၂ ရပ်ကို ပြည်ထောင်စုရှေ့နေချုပ်ဥပဒေနှင့်အညီ ဥပဒေကြောင်းအရသာ ဥပဒေအကြံဉာဏ်ပေးခြင်းဖြစ်ပါသည်။ ဥပဒေရေးရာမဟုတ်သည့် စီမံရေးရာ၊ ဘဏ္ဍာရေးရာ၊ ကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များကို ဤရုံးအနေဖြင့် မှတ်ချက်ပေးရန်မရှိပါကြောင်းနှင့် ယင်းကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ သက်ဆိုင်ရာကျွမ်းကျင်သူများနှင့် ဆွေးနွေးညှိနှိုင်းဆောင်ရွက်ရန် အကြံပြု ပါသည်။

၄။ ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ ထုတ်လုပ်၊ ဝယ်ယူရောင်းချခြင်းလုပ်ငန်းနှင့် သဘာဝဓာတ်ငွေ့ထွက်ပစ္စည်းများ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်းသည် နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်းများဥပဒေပုဒ်မ ၃ အရ နိုင်ငံတော်အစိုးရကသာ နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်း အဖြစ်ဆောင်ရွက်နိုင်ခွင့်ရှိသဖြင့် ယခုစာချုပ်(မူကြမ်း)ပါ လုပ်ငန်းများကို ဆောင်ရွက်နိုင်ရန် ဖော်ပြပါ ဥပဒေပုဒ်မ ၄ အရ အစိုးရအဖွဲ့၏ အမိန့်ကြော်ငြာစာဖြင့် ခွင့်ပြုချက်ရယူရန် လိုအပ်မည်ဖြစ်ပါသည်။

၅။ Eni Myanmar B.V (Eni) နှင့် Petrovietnam Production Corporation Exploration Ltd တို့သည် သက်ဆိုင်ရာနိုင်ငံများ၏ဥပဒေအရ တရားဝင်ဖွဲ့စည်းထားသောကုမ္ပဏီများဟုတ် မဟုတ်၊ စာချုပ်များပါ လုပ်ငန်းကို လုပ်ကိုင်နိုင်ခွင့်နှင့် လုပ်ကိုင်နိုင်စွမ်းရှိ မရှိ၊ ငွေကြေးအင်အားပြည့်စုံမှုရှိ မရှိ၊ စာချုပ်များတွင်လက်မှတ်ရေးထိုးမည့်သူများသည် တရားဝင်လွှဲအပ်ခြင်းခံရသူများဟုတ် မဟုတ် စသည်တို့အတွက် သက်ဆိုင်ရာစာရွက်စာတမ်း များတောင်းယူစိစစ်သင့်ပါသည်။

၆။ ဤ စာချုပ်(မူကြမ်း) ၂ ရပ်ကို လက်မှတ်ရေးထိုးပြီးပါက မှတ်တမ်းတင်ထားနိုင်ရန်အတွက် ဤရုံးသို့ မိတ္တူ (၃) စောင်စီပေးပို့ပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

၇။ ဤ အကြံပြုချက်ကို လျှို့ဝှက်အဆင့် သတ်မှတ်ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)

(မေသီလင်း ၊ ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

စွမ်းအင်ဝန်ကြီးဌာန

မိတ္တူ - ရုံးလက်ခံ / မျှောစာတွဲ

လျှို့ဝှက်

ဖြ

နောက်ဆက်တွဲ(ဆ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး

စာအမှတ်၊ စဆ - ၈ / ၁၆၁ (၃၈၉ / ၂၀၁၄)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ (၄) ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ မုတ္တမကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD-4 တွင် ချုပ်ဆိုမည့် စာချုပ်မူကြမ်းနှင့် စပ်လျဉ်း၍ သဘောထားမှတ်ချက် တောင်းခံခြင်းကိစ္စ

ရည်ညွှန်းချက် ။ လိပ်မူပါရုံး၏ ၂၁-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ဝ၀၈/၉၁၉/ထ(၈၀၄/၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD - 2 နှင့် တနင်္သာရီကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD - 4 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နယ်သာလန်နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V နှင့် ဗီယက်နမ်ဆိုရှယ်လစ်သမ္မတနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Coporation Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ်မူကြမ်းအပေါ် သဘောထားမှတ်ချက်ပြန်ကြားပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် ညှိနှိုင်းမေတ္တာရပ်ခံလာပါသည်။

၂။ သို့ဖြစ်ပါ၍ Section-26 ပါ Books and Accounts and Audits နှင့် Annexure "C" ပါ Accounting Procedure များနှင့်စပ်လျဉ်း၍ ဤရုံးမှ သဘောထားမှတ်ချက် ဖော်ပြရန်မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုစာရင်းစစ်ချုပ်(ကိုယ်စား)

(မျိုးမြင့်၊ ဒုတိယစာရင်းစစ်ချုပ်)

မိတ္တူ

နိုင်ငံတော်သမ္မတရုံး

သမ္မတဦးစီးရုံး

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

ရုံးလက်ခံ

မျှော

လျှို့ဝှက်

မြန်မာ

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်အစိုးရ

စီမံကိန်းနှင့်ဘဏ္ဍာရေး ဝန်ကြီးဌာန

ဝန်ကြီးရုံး

နောက်ဆက်တွဲ(ခ)

စာအမှတ်၊ ဘခ - ၁ / ၂၇၄ (၆၄၆၅ / ၂၀၁၄)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊နိုဝင်ဘာလ ၁၃ ရက်

Energy Planning Department

သို့

ပြည်ထောင်စုဝန်ကြီး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ သဘောထားမှတ်ချက်ပြန်ကြားခြင်းကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၂-၁၀-၂၀၁၄ ရက်စွဲ ပါစာအမှတ်၊ ပ၀၈ / ၉၁၉/ ထ (၈၆၉/ ၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း (MOGE) သည် Eni Myanmar B.V နှင့် Petrovietnam Expolration Production Corporation Ltd. တို့နှင့် ပူးပေါင်း၍ မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2၊ တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန် အတွက် လက်မှတ်ရေးထိုးမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း) အပေါ် ဤဝန်ကြီးဌာန၏ သဘောထား မှတ်ချက်မှာ အောက်ပါအတိုင်းဖြစ်ပါသည်-

(က) မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ ခွင့်ပြုချက်ရယူရန် လိုအပ်ပြီး နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှုဥပဒေနှင့် နည်းဥပဒေ၊ မြန်မာနိုင်ငံသားများ ရင်းနှီးမြှုပ်နှံမှုဥပဒေများ နှင့်အညီ ဆောင်ရွက်သင့်ပါသည်။

(ခ) စာချုပ်မူကြမ်း (၅.၄.၁)တွင် ဖော်ပြထားသော Performance Bank Guarantee ထုတ်ပေးရမည့်ဘဏ်ကို "corresponding bank of Myanma Foreign Trade Bank"ဟု သတ်မှတ်ဖော်ပြချက်အား "any State Owned Banks in Myanmar" ဟု အစားထိုးသတ်မှတ်၍ စာချုပ်ချုပ်ဆိုနိုင်ရေး မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့ လုပ်ငန်းမှ လက်ခံဆောင်ရွက်နိုင်ပါက တည်ဆဲဥပဒေညွှန်ကြားချက်အရ နိုင်ငံပိုင်ဘဏ် များမှလည်း ဘဏ်အာမခံထုတ်ပေးနိုင်ပါသည်။

(ဂ) စာချုပ်မူကြမ်းအပိုဒ်(၂၃.၇)အရ ငွေပေးချေမှုများကို အမေရိကန်ဒေါ်လာဖြင့် ပေးချေရမည်ဟု ဖော်ပြထားရာ အမေရိကန်ဒေါ်လာဖြင့် ပေးချေပါက ငွေပေးချေမှု အဆင်ပြေစေရန် မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၏မည်သည့် USD A / C သို့ ပေးချေရမည်ကို ငွေလက်ခံမည့်ဘဏ်နှင့် ငွေစာရင်းအမှတ်များ ကြိုတင်ညှိနှိုင်းထားသင့်ပါသည်။

(ဃ) အဆိုပါစီမံကိန်းနှင့် ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာနမှ ရရှိသည့် ဝင်ငွေများအား သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်၏ ရသုံးမှန်းခြေငွေစာရင်းတွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပါသည်။

(င) အဆိုပါစီမံကိန်းနှင့် ပတ်သက်၍ MOGE မှ ကျခံရမည့် အသုံးစရိတ်များ ရှိပါက သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်တွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပြီး အဆိုပါလျာထားချက်ကို ပြည်ထောင်စုလွှတ်တော်၏ အတည်ပြုချက် ရရှိမှသာ ကျခံသုံးစွဲနိုင်မည်ဖြစ်ပါသည်။

(စ) အခွန်ဆိုင်ရာကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ တည်ဆဲအခွန်ဆိုင်ရာဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းနှင့် အမိန့်ကြော်ငြာစာများပါ ပြဋ္ဌာန်းချက်များနှင့်အညီ လိုက်နာဆောင်ရွက်သွားရန်လိုအပ်မည်ဖြစ်ပါသည်။

(ဆ) Section (17) Rights and Obligation of MOGE and Contractor ခေါင်းစဉ်အောက်ရှိ အပိုဒ်ခွဲ 17.1(b) (i)တွင် မြန်မာ့နိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့် စက်ပစ္စည်းကိရိယာတန်ဆာပလာများအတွက် ပေးဆောင်ရမည့် အခွန်အခများကို Contractorမှ ပေးဆောင်ရန်ဖြစ်ပြီး MOGE မှ ကူညီဆောင်ရွက်ပေးရန်နှင့် အပိုဒ်ခွဲ 17.2 (d) တွင် မြန်မာနိုင်ငံအတွင်းကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် ကျသင့်သည့်အခွန်အခများအား Contractor မှ ပေးဆောင်ရန်ဟု ဖော်ပြထားရာ မြန်မာ့နိုင်ငံအတွင်း တင်သွင်းလာသော စက်ပစ္စည်းကိရိယာ တန်ဆာပလာများနှင့် ကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် Contractorမှ ကျသင့်သည့် အခွန်အခများအား ပေးဆောင်ရာတွင် အကောက်ခွန်ဦးစီးဌာနမှ ပြဋ္ဌာန်းထားသည့် လုပ်ထုံးလုပ်နည်းများနှင့်အညီ ဆောင်ရွက်ရမည်ဖြစ်ပါသည်။

အမိန့်ကြော်ငြာစာအမှတ် ၊ ၅၇ -က-၂၀၀၇ ဖြင့် ထုတ်ပြန်ထားသည့် ခရီးသည် ကိုယ်သုံးဝန်စည်များကိုသာ အခွန်ကင်းလွတ်ခွင့် ရရှိမည်ဖြစ်ပါသည်။

(ဈ) အပိုဒ် 17.2 (g) နှင့် (h)တို့တွင် လုပ်ငန်းအတွက် လိုအပ်၍ တင်သွင်းလာသည့် ပစ္စည်းများနှင့် ငှားရမ်းအသုံးပြုသည့်ပစ္စည်းများ မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်း လာသည့်အခါ Drawbacks စနစ်ဖြင့် တင်သွင်းရန်ဟု ဖော်ပြထားရာ Drawbacks စနစ်ဖြင့် တင်သွင်းလာမည့် ပစ္စည်းများနှင့် ပတ်သက်၍ ပင်လယ်အကောက်ခွန် အက် ဥပဒေပုဒ်မ ၄၂ နှင့် အကောက်ခွန်ဦးစီးဌာန၏ အမြဲတမ်းအမိန့် (၂/ ၂၀၁၃)တို့အား လိုက်နာကျင့်သုံးဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

၂။ လိုအပ်သလို ဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး(ကိုယ်စား)
(ဒေါက်တာလင်းအောင်၊ဒုတိယဝန်ကြီး)

မြန်မာနိုင်ငံခြားကုန်သွယ်မှုဘဏ်
ငွေတိုက်ဦးစီးဌာန
ပြည်တွင်းအခွန်များဦးစီးဌာန
အကောက်ခွန်ဦးစီးဌာန

နောက်ဆက်တွဲ(ဈ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
အမျိုးသားစီမံကိန်း နှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန
ပြည်ထောင်စုဝန်ကြီးရုံး

စာအမှတ်၊ အမစ - ၁/၃/၉(၆၀၉၉/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် နိုဝင်ဘာလ ၄ ရက်

သို့
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် Eni Myanmar B.V. နှင့် Petrovietnam Exploration Production Corporation Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း)များအပေါ် သဘောထားပြန်ကြားခြင်း

ရည်ညွှန်းချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၁-၁၀-၂၀၁၄ရက်စွဲပါ စာအမှတ် ၀၀၈/၉၁၉/ထ (၈၇၁/၂၀၁၄)

၁။ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် Eni Myanmar B.V. နှင့် Petrovietnam Exploration Production Corporation Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း)များအပေါ် အောက်ပါ သဘောထားမှတ်ချက်ပေးပို့အပ်ပါသည်-

(က) Production Sharing Contract (မူကြမ်း) များအရ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် Eni Myanmar B.V. နှင့် Petrovietnam Exploration Production Corporation Ltd တို့အကြား မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD-4 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်းဆောင်ရွက်ရန်အတွက် Production Sharing Contractများ လက်မှတ်ရေးထိုးချုပ်ဆိုမည်ဖြစ်ကြောင်း ဖော်ပြပါရှိပါသည်။

(ခ) Production Sharing Contract (မူကြမ်း)များ Section (5) တွင် ကန်ထရိုက်တာကုမ္ပဏီမှ မြန်မာ့ရေနံ နှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းသို့ လုပ်ငန်းဆောင်ရွက်မှု ဘဏ်အာမခံကြေး(PBG)ပေးသွင်းခြင်း၊ Section (17)တွင် ကန်ထရိုက်တာကုမ္ပဏီက ရေနံစတင်ရောင်းချချိန်မှ စ၍ပေးဆောင်ရန်ရှိသော အခွန်အခများကို ပေးဆောင်မည်ဖြစ်ကြောင်းဖော်ပြထားသဖြင့် သင့်မြတ်မှုရှိပါသည်။

(ဂ) Production Sharing Contract (မူကြမ်း)များတွင် စာချုပ်ဝင်ကန်ထရိုက်တာနိုင်ငံခြားကုမ္ပဏီနှင့် မြန်မာကုမ္ပဏီတို့မှာ ဥပဒေအရ တရားဝင်ဖွဲ့စည်းတည်ထောင်ထားသော ကုမ္ပဏီ ဟုတ်-မဟုတ်၊ ငွေရေးကြေးရေး အထောက်အထား ခိုင်မာမှု ရှိ-မရှိ၊ တရားဝင်လက်မှတ်ရေးထိုးပိုင်ခွင့်ရှိသူဟုတ်-မဟုတ် ကုမ္ပဏီဆိုင်ရာ အထောက်အထားများနှင့် တိုက်ရိုက်စိစစ်ရန် လိုအပ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ယ) Production Sharing Contract(မူကြမ်း)များ Section (9)တွင် ထုတ်လုပ်ရရှိသည့် ရေနံများအပေါ် စာချုပ်ဝင်ပုဂ္ဂိုလ်များ ဖြစ်ကြသည့် MOGE နှင့် ကန်ထရိုက်တာကုမ္ပဏီ များအကြား သတ်မှတ်ထားသည့် ရေနံပမာဏအလိုက် အချိုးကျအကျိုးအမြတ် ခွဲဝေမည်ဖြစ်ကြောင်း ဖော်ပြထားသည့်အတွက် သင့်မြတ်မှုရှိပါသည်။

(ဎ) Production Sharing Contract (မူကြမ်း)များ တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းသည် ၁၉၈၉ ခုနှစ်၊ နိုင်ငံတော်ပိုင်စီးပွားရေး လုပ်ငန်းများဥပဒေ ပုဒ်မ(၃)၊ ပုဒ်မခွဲ (ဂ)တွင် အကျုံးဝင်သက်ဆိုင်သဖြင့် ယင်းဥပဒေ ပုဒ်မ(၄)အရ ပြည်ထောင်စု အစိုးရအဖွဲ့က အမိန့်ကြော်ငြာစာ ထုတ်ပြန်၍ ခွင့်ပြုရန် လိုအပ်သည်ကို အကြံပြု အပ်ပါသည်။

(ဏ) Production Sharing Contract (မူကြမ်း)များပါ ကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ ပြည်ထောင်စုလွှတ်တော်ဆိုင်ရာ ဥပဒေကို ပြင်ဆင်သည့်ဥပဒေ (၂၀၁၄ခုနှစ်၊ ပြည်ထောင်စုလွှတ်တော်ဥပဒေ အမှတ် ၂) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

(ဆ) Production Sharing Contract (မူကြမ်း)များပါ စီမံကိန်းလုပ်ငန်းများ အကောင် အထည်ဖော်ဆောင်ရွက်ရာတွင် တည်ဆဲပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဥပဒေ (၂၀၁၂) နှင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ အမိန့်ကြေညာစာအမှတ် (၁/၂၀၁၃)နှင့် အညီ ဆောင်ရွက်ရန်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဇ) Production Sharing Contract (မူကြမ်း)များတွင် ကမ်းလွန်လုပ်ကွက်များအရ ပင်လယ်ပြင်အတွင်း လုပ်ငန်း၏ စွန့်ပစ်ဆီ၊ ရေ၊ အမှိုက်များ အပါအဝင်စွန့်ပစ်ပစ္စည်း အမျိုးမျိုးစွန့်ပစ်ခြင်းကို အာဆီယံအပါအဝင် အိမ်နီးချင်းနိုင်ငံများနှင့် နိုင်ငံတကာလုပ်ထုံး လုပ်နည်းများနှင့် အညီ လိုက်နာဆောင်ရွက်သင့်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဈ) မြန်မာနိုင်ငံသည် Extractive Industry Transparency Initiative (EITI) အဖွဲ့ဝင်နိုင်ငံဖြစ်ပါသဖြင့် ဤစာချုပ်ပါလုပ်ငန်းများကို ၂၀၁၃ခုနှစ် EITI Standard နှင့် အညီ ဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ည) Production Sharing Contract (မူကြမ်း)များပါ မိမိဘက်မှ ဆောင်ရွက်ပေးရ မည့်ကိစ္စရပ်များ နှင့်လုပ်ငန်းကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ နိုင်ငံတော် ၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းစည်းကမ်းများ၊ လုပ်ထုံးလုပ်နည်းများနှင့် ညီညွတ်မှုရရှိရန် လိုအပ်မည် ဖြစ်ပါသဖြင့် သက်ဆိုင်ရာလုပ်ငန်း အကောင်အထည် ဖော်မည့် ဌာန၊ အဖွဲ့အစည်းမှ တာဝန်ယူစိစစ်ရန် ဖြစ်ပါသည်။

၂။ Production Sharing Contract (မူကြမ်း)များပါ သတ်မှတ်ချက်များသည် မြန်မာရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ကန်ထရိုက်တာနိုင်ငံခြားကုမ္ပဏီတို့အကြား ကမ်းလွန်လုပ်ကွက်များ အတွက် လက်မှတ်ရေးထိုးချုပ်ဆိုခဲ့သည့် Production Sharing Contract များပါ စည်းကမ်းချက် များကို အခြေခံ၍ ရေးဆွဲထားကြောင်း တွေ့ရှိရပါသဖြင့် သက်ဆိုင်ရာ စွမ်းအင်ဝန်ကြီးဌာန မှ

သဘောတူလက်ခံပါက ဤဝန်ကြီးဌာနအနေဖြင့် အထူးမှတ်ချက်ပြုရန်မရှိပါကြောင်း ဖော်ပြအပ်ပါသည်။

၃။ Production Sharing Contract (မူကြမ်း)များ လက်မှတ်ရေးထိုးပြီးပါက မိတ္တူ (၃)စောင်ကို ဤဝန်ကြီးဌာနသို့ ပေးပို့ပေးပါရန် မေတ္တာ ရပ်ခံအပ်ပါသည်။

4/11/2014

ဒုတိယဝန်ကြီး(ကိုယ်စား)
(ထွန်းထွန်းနိုင်၊ ညွှန်ကြားရေးမှူးချုပ်)

မိတ္တူကို
ပြည်ထောင်စုဝန်ကြီးရုံး၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ဒုတိယဝန်ကြီး(၁)ရုံးခန်း၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန
အမျိုးသားမှတ်တမ်းများမော်ကွန်းတိုက်ဦးစီးဌာန
ရုံးလက်ခံ/မျှောစာတွဲ

မှော်ကဆာကတွ(ည)

၇၂

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်

စာအမှတ်၊ မဗဘ/ဘဏ်စိစစ်/၄(၃၆၈/၂၀၁၄)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၁၀ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ မုတ္တမကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 2 နှင့် တနင်္သာရီကမ်းလွန် ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 4 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း) များအပေါ် သဘောထားမှတ်ချက် ပြန်ကြားခြင်း

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၂-၁၀-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၁၉/ထ (၈၇၀/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း(MOGE)၏ မုတ္တမကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 2 နှင့် တနင်္သာရီကမ်းလွန် ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 4 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE)နှင့် Eni Myanmar B.V နှင့် Petrovietnam Exploration Production Corporation Ltd. တို့ ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း) များအပေါ် သဘောထားမှတ်ချက်တောင်းခံလာခြင်းနှင့်စပ်လျဉ်း၍ ယခင်ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုခဲ့သည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်များအတိုင်း ဖော်ပြထားကြောင်း တွေ့ရှိရပါသည်။ မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်အနေဖြင့် သဘောထားမှတ်ချက်ပြုရန် မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

၁၀/၁၁/၂၀၁၄

ဥက္ကဋ္ဌ (ကိုယ်စား)

(ခင်စောဦး၊ ဒုတိယဥက္ကဋ္ဌ)

လျှို့ဝှက်

နောက်ဆက်တွဲ(၄)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

သမ္မတရုံးဝန်ကြီးဌာန(၃)

စာအမှတ်၊ ၁၁ (၁) / ၁၄ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၂ ရက်

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

အကြောင်းအရာ။ ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ (၁ / ၂၀၁၅)၏ မှတ်တမ်းကောက်နုတ်ချက် တင်ပြခြင်းကိစ္စ

၁။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီအစည်းအဝေး (၁ / ၂၀၁၅) ကို ၁ - ၁ - ၂၀၁၅ ရက်နေ့ (ကြာသပတေးနေ့)တွင် သမ္မတရုံးဝန်ကြီးဌာန(၃)၊ ရုံးအမှတ်(၁၄) အစည်းအဝေးခန်းမ၌ ကျင်းပပြုလုပ်ခဲ့ပါသည်။

၂။ အဆိုပါအစည်းအဝေး၌ ဆွေးနွေးခဲ့သည့် အကြောင်းအရာများ၏ ကောက်နုတ်ချက်များကို သိရှိနိုင်ပါရန် ပူးတွဲပါဇယားဖြင့် တင်ပြအပ်ပါသည်။

ဥက္ကဋ္ဌ

ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ

မိတ္တူကို

နိုင်ငံတော်သမ္မတရုံး

ပြည်ထဲရေးဝန်ကြီးဌာန

ဆက်သွယ်ရေးနှင့်သတင်းအချက်အလက်နည်းပညာဝန်ကြီးဌာန

ပို့ဆောင်ရေးဝန်ကြီးဌာန

စဉ်	တင်ပြသည့်ဝန်ကြီးဌာန	အကြောင်းအရာ	ဆုံးဖြတ်ချက်
၁၃။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ROC Oil (Myanmar) Pte., Ltd. ၊ TAP Energy (M-7) Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင် ကုမ္ပဏီ Smart E & P International Co., Ltd. တို့အား မုတ္တမ ကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-7 တွင် ထုတ်လုပ်မှု အပေါ် ခွဲဝေခံစားရေးစာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၄။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ TRG M 15 Pte., Ltd. ၊ CFG Energy Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Century Bright Gold Co., Ltd. တို့အား တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-15 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့် ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၅။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၂ ခု တို့သည် မုတ္တမကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၃)/ ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၃ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆို လုပ်ကိုင်ခွင့်ကိစ္စ**

ရည် ညွှန်း ချက် ။ ယင်း၏ ၂၂-၁၂-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၁၉/ထ (၁၀၄၃/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ (၂) ခုတို့ကို မုတ္တမကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD - 2 နှင့် တနင်္သာရီကမ်းလွန် ရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းအား လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်သွားရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

သမ္မတရုံးဝန်ကြီးဌာန (၃)

သမ္မတရုံးဝန်ကြီးဌာန (၅)

လျှို့ဝှက်

နောက်ဆက်တွဲ(၃)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ
စွမ်းအင်ဝန်ကြီးဌာန
(ဝန်ကြီးရုံး)

၁၄

အကြောင်းအရာ။ ။ မှတ်တမ်းကောက်နုတ်ချက်ပေးပို့ခြင်း

ရက်စွဲ ၆-၃-၁၅

ရည်ညွှန်းချက် ။ ။ (၁) စွမ်းအင်ဝန်ကြီးဌာန၏ ၂-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၀၁၈ / ၉၀၇ / ထ(၇၁/၂၀၁၅)

(၂) ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး၏ ၂၆-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၃၄/၂၅၇/ အဖရ(၄/၂၀၁၅)

အထက်ရည်ညွှန်း(၁)ပါစာဖြင့် တင်ပြထားသော စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၃ ခုတို့အား ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 ၊ လုပ်ကွက်MD-4 တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contracts-PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန် တင်ပြခြင်းကိစ္စနှင့်ပတ်သက်၍ ၁၃-၂-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စု အစိုးရအဖွဲ့ အစည်းအဝေးအမှတ်စဉ်(၄/၂၀၁၅)မှ သဘောတူပါကြောင်း ရည်ညွှန်း(၂)ပါစာဖြင့် အကြောင်းကြားလာပါသဖြင့် လိုအပ်သလိုဆက်လက်ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

ဒုတိယဝန်ကြီး(ကိုယ်စား)

(ငွေးအောင်၊ရုံးအဖွဲ့မှူး)

စွမ်းအင်စီမံရေးဦးစီးဌာန

စာအမှတ်၊ ၅-၂ စွမ်းအင်(၁) (၇၄၉) ၂၀၁၅

ရက်စွဲ ၊ ၂၀၁၅ ခုနှစ်၊ မတ်လ ၅ ရက်

တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက် MD-4 ၌ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နယ်သာလန်နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V. နှင့် ဗီယက်နမ်နိုင်ငံတွင်မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Corporation Ltd. တို့သည် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက် ထုတ်လုပ်မှုအပေါ်ခွဲဝေခံစားရေးစာချုပ်ကို လက်မှတ်ရေးထိုးချုပ်ဆိုမည်ဖြစ်ပါသည်။

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အတွင်း နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

ပြုလုပ်ရန် ကမကထပြုသူ၏ ဆောင်ရွက်ရန်

အဆိုပြုချက်

PROPOSAL OF THE PROMOTER TO MAKE

FOREIGN INVESTMENT IN THE

REPUBLIC OF THE UNION OF MYANMAR

Form (I)

Proposal Form of Promoter for the Investment to be made in the Republic of the Union of Myanmar

To.

Chairman,

Myanmar Investment Commission,

Reference No. 008/920/P(158/2015)

Date. 11 March, 2015.

I do apply for the permission to make investment in the Republic of the Union of Myanmar in accordance with the Foreign Investment Law by furnishing the following particulars-

1. Promoter's-

(a)	Name	DIRECTOR GENERAL.
(b)	Father's name	ENERGY PLANNING DEPARTMENT.
(c)	National Registration No.	MINISTRY OF ENERGY.
(d)	Citizenship	MYANMAR.
(e)	Address	BUILDING NO.6, NAY PYI TAW, MYANMAR.
(f)	Name of principle organization	MINISTRY OF ENERGY.
(g)	Type of business	PETROLEUM EXPLORATION AND DEVELOPMENT.
(h)	Principle company's address	BUILDING NO.6, NAY PYI TAW, MYANMAR.

2. If the investment business is formed under Joint Venture, partners-

(a)	Name	ENI MYANMAR B.V. + PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.
(b)	Father's name	ENI MYANMAR B.V.+ PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.
(c)	National Registration No.	Netherlands (57919127) and Vietnam (0100150908)

(d) Citizenship - DUTCH and VIETNAM

(e) Address -

(i) Address in Myanmar - ENI MYANMAR B.V.
Sakura Tower, No. 0602,
339 Bogyke Aung San Road,
Kyauktada Township, Yangon, Myanmar
TEL: +95 01 255369
FAX: + 95 01 255360

- PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.
1A/23 Mya Thida Villa, 9 Quarter, South Okkalapa, Yangon, Myanmar
TEL: +095 18 500 397
FAX: +095 18 500 396

(ii) Residence abroad - ENI MYANMAR B.V.
WTC- B-Tower, Strawinskylaan 1725
1077 XX Amsterdam, The Netherlands
FAX: +31 20 570 7170

- PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.
26th Floor, Chamrvit Tower,
117 Tran Duy Hung Str., Cau Giay Dist.
Hanoi, S.R. Vietnam
TEL: +84 4 37 726 001
FAX: +84 4 37 726 027

(f) Parent company - ENI International B.V.
- VIETNAM OIL AND GAS GROUP (PETROVIETNAM).

(g) Type of business PETROLEUM.

(h) Parent company's address - Eni International B.V.
WTC- B-Tower, Strawinskylaan 1725
1077 XX Amsterdam, The Netherlands
FAX: +31 20 570 7170

- VIETNAM OIL AND GAS GROUP (PETROVIETNAM)
Petrovietnam Commercial Tower,
18 Lang Ha Str., Ba Dinh Dist.
Hanoi, S.R. Vietnam
TEL: +84 4 38 252 526
FAX: +84 4 38 265 942

Remark: The following documents need to attach according to the above paragraph (1) and (2):-

(1) Company registration certificate (copy);

(2) National Registration Card (copy) and passport (copy);

(3) Evidences about the business and financial conditions of the participants of the proposed investment business;

3. Type of proposed investment business -

(a) Production PETROLEUM

(b) Service business related with manufacturing

(c) Service

(d) Others

Remark: Expressions about the nature of business with regard to the above paragraph (3)

4. Type of business organization to be formed:-

(a) One hundred percent

(b) Joint Venture

(i) Foreigner and citizen ENI MYANMAR B.V. 80%, PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. 20%

(ii) Foreigner and Government department/organization

IN COMMERCIAL PRODUCTION PERIOD MYANMA OIL AND GAS ENTERPRISE 20%, THE REST 80% (ENI MYANMAR B.V.64 %, PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. 16%)

(c) By contractual basis

(i) Foreigner and citizen

(ii) Foreigner and Government department/organization

(to enclose the list of the name, citizenship, address and designation of the executives of the organization, indicating the local and foreign capital ratio)

Remark: The following information needs to attach for the above Paragraph(4):-

(i) Share ratio for the authorized capital from abroad and local, names, citizenships, addressed and occupations of the directors;

(ii) Joint Venture Agreement (Draft) and recommendation of the Union Attorney General Office if the investment is related with the State;

(iii) Contract (Agreement) (Draft)

5. Particulars relating to company incorporation -
   (a) Authorized Capital
   (b) Type of share PRODUCTION SHARING CONTRACT.
   (c) Number of shares

Remark: Memorandum of Association and Articles of Association of the Company shall be submitted with regard to above paragraph 5.

6. Particulars relating to capital of the investment business-

		Kyat/US$ (Million)
(a)	Amount of local capital to be contributed	-
(b)	Amount of foreign capital To be brought in	210.60 MMUS$
	Total	**210.60 MMUS$**

(c) Annually or period of proposed capital to be brought in - 2015 to 2023

(d)	Last date of capital brought in	2023
(e)	Proposed duration of investment	8 Year
(f)	Commencement date of construction	2015
(g)	Construction period	2015 to 2023

Remark: Describe with annexure if it is required for the above Para 6(c).

7. Detail list of foreign capital to be brought in -

		Foreign Currency (Million)	Equivalent Kyat (Million)
(a)	Foreign currency (Type and amount)	210.60 MMUS$	
(b)	Machinery and equipment and Value (to enclose detail list)	WILL BE FURNISHED LATER.	
(c)	List of initial raw materials and Value (to enclose detail list)		
(d)	Value of license, intellectual Property, industrial design, trade mark, patent rights, etc.		
(e)	Value of technical know-how		
(f)	Others		
	Total	**210.60 MMUS$**	

Remark: The evidence of permission shall be submitted for the above para 7 (d) and (e).

8. Details of local capital to be contributed -

Kyat (Million)

(a) Amount

(b) Value of machinery and equipment (to enclose detail list) — WILL BE FURNISHED LATER.

(c) Rental rate for building / and

(d) Cost of building construction

(e) Value of furniture and assets (to enclose detail list) — WILL BE FURNISHED LATER.

(f) Value of initial raw material requirement (to enclose detail list)

(g) Others

Total ____________________

9. Particulars about the investment business –

(a) Investment location(s)/place — DEEP WATER BLOCK MD-4,

(b) Type and area requirement for land or land and building

(i) Location — TANINTHARYI OFFSHORE AREA

(ii) Number of land/building and area

(iii) Owner of the land

(aa) Name/company/department

(bb) National Registration Card No.

(cc) Address

(iv) Type of land

(iv) Period of land lease contract

(vi) Lease period

(vii) Lease rate

(aa) Land

(bb) Building

(viii) Ward

(ix) Township

(x) State/Region

(xi) Lessee

(aa) Name/Name of Company/Department

(bb) Father's name

(cc) Citizenship

(dd) ID No./Passport No.

(ee) Residence Address

Remark: Following particulars have to enclosed for above Para 9(b)

(i) to enclose land map, land ownership and ownership evidences ;

(ii) draft land lease agreement, recommendation from the Union Attorney General if the land is related to the State;

(c) Requirement of building to be constructed;

(i) Type/number of building

(ii) Area

(d) Product to be produced/Service

(i) Name of product

(ii) Estimate amount to be produced annually

(iii) Type of service CRUDE OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

(v) Estimate value of service annually

Remark: Detail list shall be enclosed with regard to the above para 9 (d).

(e) Annual requirement of materials/raw materials.

Remark: According to the above para 9(e) detail list of products in terms of type of products, quantity, value, technical specifications for the production shall be listed and enclosed.

(f) Production system

(g) Technology

(h) System of sales EXPORT & DOMESTIC SALES TO MYANMA OIL AND GAS ENTERPRISE

(i) Annual fuel requirement
(to prescribe type and quantity)

(j) Annual electricity requirement OWN GENERATOR

(k) Annual water requirement
(to prescribe daily requirement, if any)

10. Detail information about financial standing -

(a) Name/company's name - ENI MYANMAR B.V.
-PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

(b) ID No./ National Registration Card No./Passport No.

(c) Bank Account No.

Remark: To enclose bank statement from resident country or annual audit report of the principle company with regard to the above para 10.

11. Number of personnel required for the proposed economic activity:

(a) Local personnel ( ) number ( )%
WILL BE FURNISHED LATER.

(b) Foreign experts and technicians ( ) number ( )%
WILL BE FURNISHED LATER.

(Engineer, QC, Buyer, Management, etc. based on the nature of business and required period)

Remark: As per para 11 the following information shall be enclosed:-

(i) Number of personnel, occupation, salary, etc;

(ii) Social security and welfare arrangements for personnel;

(iii) Family accompany with foreign employee ;

12. Particulars relating to economic justification :-

			Foreign Currency	**Equivalent Estimated Kyat**	
		TEA Period (2 Yrs)	Initial Exploration Period (3Yrs)	1st Extension Period (2Yrs)	2nd Extension Period (1Yr)
(a)	Annual income		-	-	-
(b)	Annual expenditure (MMUS$)	2.75	73.00	62.00	60.00
(c)	Annual net profit		-	-	-
(d)	Yearly investments (MMUS$)	2.75	73.00	62.00	60.00
(e)	Recoupment period		-	-	-
(f)	Other benefits (to enclose detail calculation)		-	-	-

13. Evaluation of environmental impact:- WILL BE FURNISHED LATER.

(a) Organization for evaluation of environmental assessment;

(b) Duration of the evaluation for environmental assessment; EIA/SIA
6 MONTHS (0.75 MMUS$)

(c) Compensation programme for environmental damages

(d) Water purification system and waste water treatment system;

(e) Waste management system;

(f) System for storage of chemicals

14. Evaluation on social impact assessments; WILL BE FURNISHED LATER.

(a) Organization for evaluation of social impact assessments;

(b) Duration of the evaluation for social impact assessments; EIA/SIA 6 MONTHS

(c) Corporate social responsibility programme;

Signature

Name U Pe Zin Tun

Designation Director General

Energy Planning Department

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MEMORANDUM OF AGREEMENT

between

ENI MYANMAR BV

and

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

IN RELATION TO POSSIBLE JOINT BIDS FOR
BLOCK MD-4
DEEPWATER OFFSHORE MYANMAR

DATED 11 November **2013**

This Memorandum of Agreement ("Memorandum") is entered into on this _11_ day of _Nov_ 2013 ("Effective Date") by and between:

ENI MYANMAR BV a company incorporated in The Netherlands having its main office at Strawinskylaan 1725, 1077 XX Amsterdam, The Netherlands **("Eni")**;

and

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD., a company incorporated and operating under the laws of the Socialist Republic of Viet Nam, with its registered office at 26th Floor, Charmvit Tower, No. 117 Tran Duy Hung Street, Cau Giay District, Hanoi, S.R. Viet Nam **("PVEP")**.

Eni and PVEP may hereinafter be referred collectively as "Parties" and individually as a "Party".

WHEREAS:

(A) Each Party has pre-qualified to participate in the Myanmar offshore blocks bidding round announced on 11th April 2013 (**"Offshore Bid Round"**);

(B) The Parties are willing to establish a long standing and fruitful relationship through the implementation of joint initiatives to explore and exploit the offshore hydrocarbon potential in Myanmar.

(C) The Parties have entered into discussions regarding participation in possible joint bids of Offshore Bid Round and have expressed their intention to jointly pursue the bid to conduct petroleum operation in block MD-4, Deep Water Offshore Myanmar (the "Joint Bid") and enter into the production sharing contract with Myanmar Oil and Gas Enterprise ("MOGE") (hereinafter referred to as "PSC") if the PSC is awarded to the Parties.

NOW THEREFORE, in view of the above the Parties hereby agree as follows:

1 Scope

This Memorandum provides a framework for cooperation with regard to the participation in the possible Joint Bid applying the main principles outlined herein.

2 Participating Interests and Operator

The Parties shall have the following participating interests ("Participating Interests"):

- Eni (or its affiliate): eighty percent (80%) participating interest representing the joint venture as application operator;
- PVEP: twenty percent (20%) participating interest.

The participating interests may be adjusted as provided in this agreement and the joint operating agreement (**"JOA"**), or as may otherwise be agreed in writing by the Parties from time to time.

In case of a successful joint bid Eni shall be designated as the operator under the PSC and the JOA and shall act as the lead negotiator in negotiations of the production sharing contract with the competent Myanmar authorities.

Unless otherwise provided in this Memorandum, all the rights and interests in and under the Memorandum shall be owned by the Parties according to their respective Participating Interests.

Unless otherwise provided in this Memorandum, the obligations of the Parties under this Memorandum and all liabilities and costs incurred under this MOA shall be shared by the Parties, according to their respective Participating Interests.

3 Termination

3.1 This Memorandum shall terminate on the earliest of:

(a) the date on which all or all but one of the Parties withdraw or are deemed to have withdrawn from this Memorandum; provided that no Party may not withdraw from this Memorandum after the Joint Bid has been submitted to the Myanmar authorities except as otherwise provided in this Memorandum;

(a) the date on which the joint bid is either rejected by competent Myanmar authorities or result in a PSC and the Parties have signed a joint operating agreement.

(b) the date on which the Parties agree in writing to terminate this Memorandum;

(c) the date the Myanmar authorities cancel the Offshore Bid Round; or

(e) the date which is one (1) year after the Effective Date.

3.2 Notwithstanding anything to the contrary in this Memorandum, Articles 3, 4, 5, 6, and 8 shall survive termination of this Memorandum, subject to any time limits specified therein.

4 Confidentiality

4.1 The existence of this Memorandum, its contents and purpose, and any and all data and information exchanged between the Parties' or their affiliates in connection with this Memorandum or the transactions contemplated by this Memorandum are strictly confidential, (**"Confidential Information"**) and shall not be sold, traded, published or otherwise disclosed to anyone in any manner whatsoever, including but not limited to by means of photocopy, reproduction or electronically, without the Disclosing Party's prior written consent, except as provided herein and each Party shall, and shall procure that its affiliates shall, keep such information in strict confidence and subject to the requirements of applicable law or by the published rules or any mandatory requirements of any stock exchange on which securities of the Party or its affiliates are listed, not to disclose such information to any third party without the prior written consent of the other Party.

4.2 No public announcement or press release shall be made by a Party regarding the existence of this Memorandum and/or the potential cooperation initiatives referred to herein without the other Party's prior written consent unless required by any applicable laws or the regulations of any stock exchange on which securities of the Party or its affiliates are listed, in which case a copy of the same shall be furnished to the other Party as soon as practicable and before such announcement is made.

4.3 Notwithstanding anything to the contrary in this Memorandum, the confidentiality obligations under this Article 4 shall remain in full force and effect until the date which is three (3) years after the termination of this Memorandum

5 Notices

5.1 Any notice pursuant to this Memorandum shall be deemed to be properly served if given in writing and delivered by hand, by facsimile, or by an internationally recognised overnight courier service. Any notice shall be deemed to be effectively given or made:

(a) on receipt by the addressee, if delivered personally with signed receipt acknowledging delivery; or

(b) on the second Business Day following the date of sending if sent by an internationally recognised overnight courier service; or

(c) at the time and on the day it is sent where sent by facsimile transmission provided the sender retains receipt of a legible transmission report showing the addressee's facsimile number and time of transmission.

5.2 All notices shall also be copied by email to the recipient's email address as shown in clause 5.3 but failure to send such email shall not render ineffective a notice otherwise properly given under this Article 5.

5.3 The notices shall be sent to the following addresses:

If to Eni

Attention: Franco Conticini – Vice President Exploration Strategic Studies

Address: Via Emilia 1, 20097 San Donato Milanese, Italy

Fax: +39 02 520 61815

Email: franco.conticini@eni.com

If to PVEP

Attention: Nguyen Tien Long – Vice President

Address: 26th Floor, Charmvit Tower, 117 Tran Duy Hung, Hanoi

Fax: 84-4 37726027

Email: longnt@pvep.com.vn

6 Governing Law and Arbitration

6.1 This Memorandum shall be governed by and construed in accordance with the laws of England and Wales, to the exclusion of any conflict of law rules which would refer the matter to the laws of another jurisdiction.

6.2 Any dispute, controversy or claim arising out of or in connection with this Memorandum or its subject matter whether in tort, contract, under statute or otherwise, including any questions regarding its existence, validity, interpretation, breach or termination (**"Dispute"**) which cannot be resolved by negotiation between the Parties within 30 (thirty) days of one Party notifying the other Party in writing that a Dispute has arisen shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC 2013), which rules are deemed to be incorporated in this Article 6. The Tribunal shall consist of a sole arbitrator. The language of the arbitration shall be English. The resulting arbitral award shall be final and binding without right of appeal and judgment upon such award may be

entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. The costs of the arbitration shall be borne by the Parties as determined by the arbitration award. The Parties shall keep the contents of the arbitral proceedings strictly confidential.

7 Miscellaneous

7.1 This Memorandum is not intended to, and shall not be construed in any way, manner or degree to create or result in an arrangement constituting a joint venture, partnership, association or any relationship in which either Party might be deemed responsible for the acts or omissions of the other Party, and each Party shall be responsible solely for its individual obligations.

7.2 No Party or any of its affiliates shall, under any circumstances, be liable to the other Party or any of its affiliates for (i) any consequential, exemplary, special, incidental or punitive damages or (ii) (whether direct or indirect) any loss of revenue or income, loss of profit, cost of capital, or loss of business reputation or opportunity claimed by any Party under the terms or due to any breach of this Memorandum.

7.3 Each Party may sign identical counterparts of this Memorandum with the same effect as if the Parties signed the same document and all of which shall be considered one and the same instrument. A copy of this Memorandum signed by a Party and delivered by facsimile transmission to the other Party shall have the same effect as the delivery of an original of this Memorandum containing the original signature of such Party.

7.4 Each Party shall be responsible to ensure that any obligation or action to be performed under this Memorandum by an affiliate of such Party, will be properly and promptly undertaken or performed by such affiliate.

IN WITNESS WHEREOF, the duly authorised representatives of the Parties have caused this Memorandum of Agreement to be signed on the date first written above.

ENI MYANMAR BV

By: [signature]

Name: MASSIMILIANO PIERI

Title: ENI MYANMAR B.V. – CHAIRMAN

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

By: [signature]

Name: Nguyễn Tiến Long

Title: VICE PRESIDENT

TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR DEEP WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Deep Water Offshore Blocks
1.	Contract Area	MD-4
2.	Area of Block	5 900 Sq.Km
3.	Water Depth	4,900 ~ 11,500 (ft)
4.	Type of Contract	**Production Sharing Contract (PSC)**
5.	Preparation Period (EIA/SIA/EMP)	- **6 months** (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. **Min. Expenditure** 750 000 US$ **{Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}**
6.	Data Fee	1 000 000 US$ (if data is available) (Payment within 30 days after commencement of the Study Period)
7.	Study Period (TEA Period)	**- 2 years** — **Min. Expenditure** - G&G Study and Seismic Processing, Interpretation — 2 750 000 US$ **{Contractor will have the option to back-off after 2 years Study Period}**
8.	Signature Bonus	10 200 000 US$ (Payment within 30 days after entering into the Exploration Period.)
9.	Exploration Period (Minimum Work Commitment and Expenditure)	**- 3 years** — **Min. Expenditure** Year 1 - Seismic Acquisition, Processing, Interpretation — 11 000 000 US$ Year 2 - drill minimum 1 (one) well — 60 000 000 US$ Year 3 - post- well evaluation studies — 2 000 000 US$ *(or) to drill 2 (two) wells during Year 1 to 3* Total — 73 000 000 US$ *Contingent: 2nd Expl. Well + G&G (subject to results of First Well)* — ~~60,000,000 US$~~ **{Contractor will have the option to back-off after 3 years Exploration Period}** 1st Extension Period (2 years) — **Min. Expenditure** Year 4 - prospect evaluation — 2 000 000 US$ Year 5 - To drill 1 (one) well — 60 000 000 US$ Total — 62 000 000 US$ **{Contractor will have the option to back-off after 2 years 1st Extension Period}** 2nd Extension Period (1 year) — **Min. Expenditure** Year 6 - To drill 1 (one) well — 60 000 000 US$ **{Contractor may enter into Production Period upon commercial discovery}**
10.	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.
11.	Royalty	12.5% of Available Petroleum.
12.	Cost Recovery	**Water Depth,** less than or equal to 2000 feet — 60% more than 2,000 feet — 70%
13.	Profit Split *(Profit Petroleum Allocation)*	(see below)

13. Profit Split *(Profit Petroleum Allocation)*

Crude Oil

Water Depth	*2000 feet or less*		*more than 2,000 feet*	
BOPD	MOGE(%)	CONT. (%)	MOGE(%)	CONT. (%)
0 - 25,000	60	40	55	45
25,001 - 50,000	65	35	60	40
50,001 - 100,000	75	25	65	35
100,001 - 150,000	80	20	75	25
above 150,000	85	15	80	20

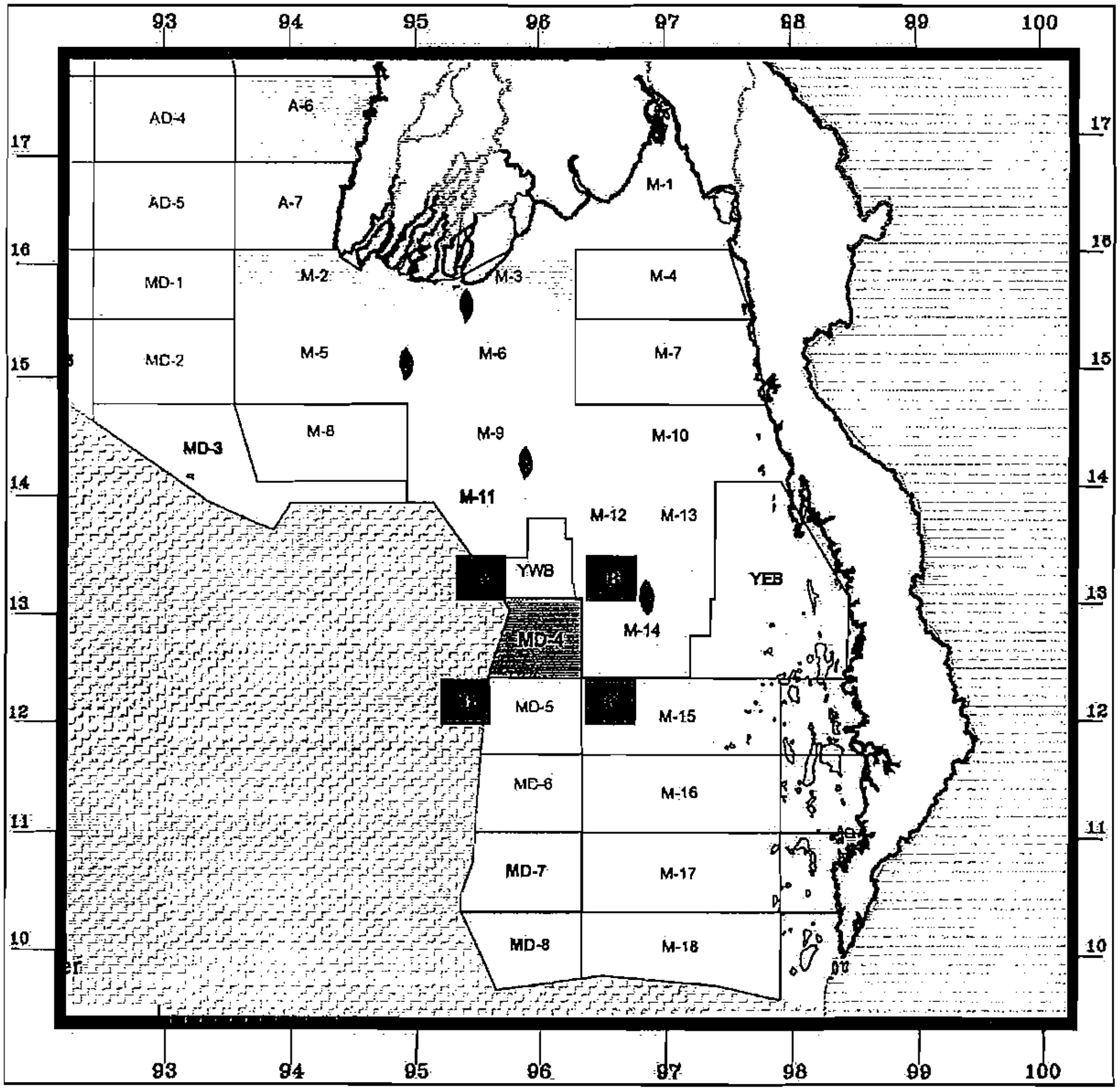
Natural Gas

Water Depth	*2000 feet or less*		*more than 2,000 feet*	
MMCFD	MOGE(%)	CONT. (%)	MOGE(%)	CONT. (%)
0 - 300	60	40	45	55
301 - 600	70	30	50	50
601 - 900	60	20	50	50
above 900	90	10	55	45

STANDARD TERMS AND CONDITIONS OF PRODUCTION SHARING CONTRACT FOR DEEP WATER OFFSHORE BLOCKS

Sr. No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Deep Water Offshore Blocks
14.	Production Bonus	Crude Oil Upon approval of Development Plan = 1.00 MMUS$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS$ Natural Gas Upon approval of Development Plan = 1.00 MMUS$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS$ 600 MMCFD (for 90 consecutive days production) = 4.00 MMUS$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS$
15.	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.
16.	Training Fund	Exploration Period = 150 000 US$ per Year. Production Period = 150 000 US$ per Year.
17.	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.
18.	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel Oil Equivalent.
19.	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)
20.	Governing Law	Laws of the Republic of the Union of Myanmar.
21.	Arbitration	UNCITRAL Arbitration Rules.
22.	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:- - If the amount of Net Profit is up to 100 MMUS$ 40% - If the amount of Net Profit is between 100 MMUS$ and 150 MMUS$ 45% - If the amount of Net Profit is over 150 MMUS$ 50%
23.	EITI *	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24.	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.
		*note : Eni has adhered to the Extractive Industry Trasparency Initiative (EITI) since 2005. Eni has already implemented the EITI in Nigeria, Republic of Congo, Norway, Kazakhstan, Timor-Leste, Iraq, Gabon, Togo and Mozambique

MAP OF CONTRACT AREA



COORDINATES OF BLOCK MD-4

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	13° 00' 00"	95° 38' 00"
B	13° 00' 00"	96° 19' 00"
C	12° 19' 00"	96° 19' 00"
D	12° 19' 00"	95° 31' 00"
E	12° 54' 07"	95° 42' 00"
A	13° 00' 00"	95° 38' 00"

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PRODUCTION SHARING CONTRACT

FOR

THE EXPLORATION AND PRODUCTION OF PETROLEUM

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

ENI MYANMAR B.V.

AND

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

FOR

DEEP WATER BLOCK MD-4

TANINTHARYI OFFSHORE AREA

REPUBLIC OF THE UNION OF MYANMAR

Dated: , 2015

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PRODUCTION SHARING CONTRACT

FOR OFFSHORE PETROLEUM OPERATIONS

TANINTHARYI OFFSHORE DEEP WATER BLOCK MD-4

BETWEEN

MYANMA OIL AND GAS ENTERPRISE

AND

ENI MYANMAR B.V.

AND

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

This Contract entered into and delivered at Nay Pyi Taw, the Republic of the Union of Myanmar on the (xx) day of (month), 2015 by and between

MYANMA OIL AND GAS ENTERPRISE, an enterprise organized and existing under the laws of the Republic of the Union of Myanmar (hereinafter referred to as "MOGE" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, MYANMA OIL AND GAS ENTERPRISE; of the one part,

and

ENI MYANMAR B.V., a company incorporated under the laws of the Netherlands (hereinafter referred to as "Eni" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, ENI MYANMAR B.V. ; and

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD., a company incorporated under the laws of the Socialist Republic of Viet Nam (hereinafter referred to as "PVEP" which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and permitted assigns), represented for the purpose of this Contract by MANAGING DIRECTOR, PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. ; of the other part.

Eni and **PVEP** are hereinafter, together with their respective successors and permitted assigns collectively referred to as "CONTRACTOR" and each one of them as a "Contractor Party", and all of the obligations of the CONTRACTOR contained in the Contract shall be liable individually and jointly by Contractor Party.

MOGE and CONTRACTOR are collectively referred to as the "Parties" and individually as a "Party".

WITNESSETH

WHEREAS, The Republic of the Union of Myanmar is the sole owner of all natural resources within her territory and offshore areas and has the right to develop, extract, exploit and utilize the natural resources in the interest of the people of all the national groups; and

WHEREAS, MOGE is an enterprise formed by the Government of the Republic of the Union of Myanmar and is concerned with exploration and production of "Petroleum" (as hereinafter defined) within the Republic of the Union of Myanmar both onshore and offshore areas; and

WHEREAS, MOGE has the exclusive right to carry out all operations in the Republic of the Union of Myanmar and throughout the area described in Annexure "A" and outlined on the map which is Annexure "B", both attached hereto and made a part hereof, which area is hereinafter referred to as the "Contract Area"; and

WHEREAS, CONTRACTOR is of sound financial standing and possesses technical competency and professional skill for carrying out exploration and development works and other "Petroleum Operations" (as hereinafter defined in accordance with good international petroleum industry practices); and

WHEREAS, each Party has the right, power and authority to enter into this Contract; and

WHEREAS, MOGE and CONTRACTOR mutually desire to enter into this Contract which is the Production Sharing Contract in relation to the "Contract Area" as hereinafter defined;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set out, it is agreed as follows;

SECTION 1

DEFINITIONS

In this Contract, words in the singular include the plural and vice versa, and except where the context otherwise requires the following terms shall have the meaning set out as follows:

1.1 "Accounting Procedure" means the procedures and reporting requirements set forth in Annexure "C".

1.2 "Additional Exploration Operations" mean Exploration Operations performed by CONTRACTOR beyond those required by the minimum work commitment provisions in this Contract or as the case may be.

1.3 "Affiliate" means any company, or other legal entity;

a) in which CONTRACTOR holds directly or indirectly at least fifty percent (50%) of the shares entitled to vote, or

b) which holds directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote, or

c) in which at least fifty percent (50%) of the shares entitled to vote are owned directly or indirectly by a company, or any other legal entity, which owns directly or indirectly at least fifty percent (50%) of the shares of CONTRACTOR entitled to vote.

1.4 "Appraisal Period" means the period which CONTRACTOR deems necessary to determine whether a Discovery is a Commercial Discovery.

1.5 "Appraisal Programme" means a programme submitted by CONTRACTOR pursuant to Section 7.2, under which CONTRACTOR will evaluate and delineate a Discovery including the estimated list of equipments, vehicles, machineries, materials, accessories, etc... that would be used for appraisal works under this Contract.

1.6 "Associated Gas" means Natural Gas found in association with Crude Oil either as free gas or in solution, if such Crude Oil can by itself be commercially produced.

1.7 "Barrel" means a quantity or unit of forty-two (42) U.S. gallons liquid measured at or corrected to a temperature of sixty degrees (60^{o}) Fahrenheit with normal atmospheric pressure at sea level.

1.8 "Budget" means an estimate of income and expenditures formulated in relation to a Work Programme.

1.9 "Calendar Year" means a period of twelve (12) consecutive months commencing with January 1st and ending with December 31st next following, according to the Gregorian calendar.

1.10 "Commencement of Commercial Production" means, in relation to each Development and Production Area, the date on which regular and continuous shipments of Crude Oil (excluding test production) commence or the date on which regular and continuous sales of Natural Gas commence or any combination of these commence from the Contract Area (excluding production for testing purposes).

1.11 "Commencement of the Operation Date" means the date of approval of the Myanmar Investment Commission on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) and such date will be informed by MOGE to CONTRACTOR.

1.12 "Commercial Discovery" means the Discovery in the Contract Area of an accumulation or accumulations of Petroleum which CONTRACTOR, after conducting appraisal operations to assess the quantity and quality of the Petroleum present, the place and the depth of its location, the estimated development and production expenditures, prices prevailing in the world market and other relevant technical and economic factors, decides it is commercial to develop and produce.

1.13 "Contract" means this Production Sharing Contract, together with the Annexures attached hereto.

1.14 "Contract Area" means;

a) on the Effective Date the offshore area as described in Annexure "A" and shown on the map in Annexure "B" and

b) there after the whole or any part of such offshore area in respect of which at any particular time, CONTRACTOR continues to have rights and obligations under this Contract.

1.15 "Contract Year" means a period of time normally of three hundred and sixty-five (365) consecutive days commencing from the Commencement of the Operation Date.

1.16 "Cost Petroleum" means Petroleum out of which CONTRACTOR may recover the costs and expenses of the Petroleum Operations pursuant to Section 9.4.

1.17 "Crude Oil" means crude mineral oil, asphalt, ozokerite, casing head petroleum spirit, and all kinds of hydrocarbons and bitumens whether in solid, liquid or mixed forms, including condensate and other substances extracted or separated from Natural Gas.

1.18 "Cubic Foot" means a quantity or unit of vapor saturated with Natural Gas contained in one (1) cubic foot of space at a temperature of sixty degrees (60^{O}) Fahrenheit and pressure of 14.735 psia (30 inches Hg).

1.19 "Delivery Point" means (a) the agreed point of delivery within the relevant Development and Production Area for Petroleum delivered to MOGE as Royalty pursuant to Section 10 and Crude Oil and Natural Gas made available for the Myanmar domestic market pursuant to Section 14.1 and Section 14.4, (b) the point to be determined in accordance with Section 13 for Natural Gas, and (c) the point of export, Myanmar, for Petroleum made available for export sale, as the case may be.

1.20 "Development and Production Area" means the area or areas established by CONTRACTOR and designated as such or enlarged, as the case may be, in accordance with Section 8.

1.21 "Development and Production Operations" means all operations including but not limited to administrative and other related activities, within or outside the Contract Area, which are carried out in accordance with the Development Plan for a Development and Production Area in connection with the extraction, separation, processing, gathering, transportation, storage, treatment and disposition of Petroleum from such Development and Production Area.

1.22 "Development and Production Period" means, in relation to each Development and Production Area, the period specified in Section 3.6.

1.23 "Development Plan" means a plan for development of a Commercial Discovery prepared by CONTRACTOR and approved in accordance with Sections 8.5 or 8.6, including any amendments thereto.

1.24 "Discovery" means a discovery during Petroleum Operations of an accumulation or accumulations of Petroleum which in the opinion of CONTRACTOR may be capable of being produced and sold in commercial quantities.

1.25 "Discovery Area" means an area or areas in which CONTRACTOR may establish in accordance with Section 8.

1.26 "Drawback Basis" means all rented or leased assets which are imported into Myanmar, by CONTRACTOR or its subcontractors, with the approval of MOGE, for Petroleum Operations under the PSC's, at the time of completion, which are to be exported out of Myanmar. Assets imported on Drawback Basis are those which are not foreign direct investment and / or Myanmar citizens investment.

1.27 "Effective Date" means the date of signing of this Contract by the Parties.

1.28 "Exploration Operations" mean operations, within or outside the Contract Area, which are conducted under this Contract during the Exploration Period or in connection with the exploration for Petroleum including, without limitation, geological, geophysical and other technical surveys and studies, the review, processing and analysis of data, the drilling of exploratory and appraisal wells, operations and activities carried out to determine whether a Discovery constitutes a Commercial Discovery, associated planning, design, administrative, engineering, construction and maintenance operations, and all other related operations and

activities referred to in Annexure "C" or otherwise contemplated under the provisions of this Contract.

1.29 "Exploration Period" means the period specified in Sections 3.4, including any extensions to the Exploration Period granted under the terms of this Contract.

1.30 "Financial Year" means the financial year of the Government of the Republic of the Union of Myanmar and extending for a period of twelve (12) months commencing with 1st April and ending with 31st March next following.

1.31 "Government" means the government of the Republic of the Union of Myanmar.

1.32 "Investment Basis" means all assets which are imported into Myanmar by CONTRACTOR as an investment in accordance with the stipulations of the Contract for Petroleum Operations hereunder. Assets imported on Investment Basis are those which are allowed to make foreign direct investment and / or Myanmar citizens investment.

1.33 "Management Committee" means the committee established by that name pursuant to Section 18.

1.34 "Natural Gas" means all gaseous hydrocarbons produced from wells including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction or separation of liquid hydrocarbons from wet gas.

1.35 "Net Profit" means the amount of the proceeds of the sale or transfer of the interests of the CONTRACTOR under this Contract or the shares in the Company, registered under Section 5.1, less Petroleum Costs, which are not recovered by Cost Recovery under Article 2 in Annexure "C" until the time of transaction, Data Fee and bonuses under Section 11, and interests under Section 9.11.

1.36 "Petroleum Costs" mean all of the costs and expenditures borne and incurred by CONTRACTOR in connection with or related to the conduct of Petroleum Operations pursuant to this Contract, and determined and accounted for in accordance with Annexure "C".

1.37 "Petroleum" means and includes both Crude Oil and Natural Gas, as well as any other hydrocarbons produced in association therewith.

1.38 "Petroleum Operations" mean all operations, within or outside the Contract Area, under this Contract, including, without limitation, Study and Exploration Operations, Development and Production Operations, or any combination of such operations, transportation, storage, marketing, all associated planning, design, administrative, engineering, construction and maintenance operations, and any or all other incidental operations or activities, as may be necessary under the provisions of this Contract.

1.39 "Preparation Period" means a period of six (6) months starting from signing date of this Contract during which Environmental Impact Assessment (EIA), Social

Impact Assessment (SIA) and Environmental Management Plan (EMP) shall be conducted by the CONTRACTOR in respect of the Contract Area.

1.40 "Quarter" means a period of three (3) months starting with the first day of January, April, July or October of each Calendar Year.

1.41 "Study Period" means a period of time starting from the Commencement of the Operation Date, as described in Section 3.3, during which a study will be conducted as described in Section 6, in respect of, inter alia, data and information supplied by MOGE pursuant to Section 2.4.

1.42 "U.S. Dollar" or "US$" means the lawful currency of the United States of America.

1.43 "Value Added Petroleum Downstream Products" means derivatives produced from, including but not limited to, Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Methanol and any other products utilizing Natural Gas and/or Crude Oil as feedstock.

1.44 "Work Programme" means a work programme mutually agreed by MOGE and CONTRACTOR itemizing the Petroleum Operations to be conducted within or with respect to the Contract Area, Discovery Area or Development and Production Area and time schedule thereof, including the estimated list of the equipments, vehicles, machineries, materials, accessories, etc... that would be used in the Petroleum Operations under this Contract.

1.45 "Foreign Investment Law" means the Foreign Investment Law of the Republic of the Union of Myanmar (the Pyi Htaung Su Hlut Taw Law No. 21/2012 dated 2^{nd} November 2012) and related rules and notification.

SECTION 2

SCOPE

2.1 This Contract is a Production Sharing Contract. In accordance with the provisions herein contained, MOGE shall have and be responsible for the management of Petroleum Operations contemplated hereunder.

2.2 CONTRACTOR shall be responsible to MOGE for the execution of the Petroleum Operations in accordance with the provisions of this Contract, and is hereby appointed and constituted the exclusive company (operator) to conduct Petroleum Operations in the Contract Area. CONTRACTOR shall provide all the financial and technical assistance required for the Petroleum Operations. CONTRACTOR shall carry the risk of Petroleum Costs required in carrying out the Petroleum Operations and shall therefore have an economic interest in the development of the Petroleum in the Contract Area. Such costs shall be included in Petroleum Costs recoverable as provided in Section 9.4. The interest expenses incurred by the CONTRACTOR to finance its Exploration Operations hereunder shall not be cost recoverable from Cost Petroleum.

2.3 During the term of this Contract the total production achieved in the conduct of such Petroleum Operations in each Quarter shall be divided in accordance with the provisions of Section 9.

2.4 To assist CONTRACTOR in performing work hereunder, MOGE shall as soon as practicable supply to CONTRACTOR all data and information relating to the Contract Area in MOGE's possession or under the control of MOGE.

2.5 CONTRACTOR shall send back to MOGE all original data and information relating to Section 2.4 above and also in digitize format no later than six (6) months after receipt of such data and information by CONTRACTOR.

2.6 CONTRACTOR shall within thirty (30) days after the Commencement of the Operation Date, make payment to MOGE the sum specified in Section 11.1 as Data Fee.

2.7 Data Fee paid in accordance with Section 2.6, shall be tax deductible, but shall not be recoverable from Cost Petroleum under Section 9.

SECTION 3

TERM

3.1 Unless sooner terminated in accordance with the terms hereof, this Contract shall remain in effect during the Preparation Period, Study Period, Exploration Period and any Development and Production Period.

3.2 The Preparation Period shall begin on the Effective Date and shall continue for a period of six (6) months and may be extended to a certain period by sole discretion of MOGE based on issuance of Myanmar Investment Commission's approval on Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Environmental Management Plan (EMP) reports.

3.3 The Study (Technical Evaluation and Assessment – TEA) Period shall commence from the Commencement of the Operation Date of this Contract and shall have duration of two (2) years.

3.4 If at the end of the Study Period, CONTRACTOR, after fully disclosing the results of the study to MOGE, decides not to pursue with any further Exploration Operations in the Contract Area, CONTRACTOR shall have the option to terminate this Contract by way of written notice to MOGE given not later than fifteen (15) days before the end of the Study Period. Thereafter, CONTRACTOR shall relinquish its rights and be relieved of any or all further obligations pursuant to this Contract from the effectiveness of the termination notice.

In the absence of such termination notice, Exploration Period shall begin immediately following the expiration of Study Period and shall continue for three (3) consecutive years ("Initial Exploration Period"). CONTRACTOR may extend, at its sole discretion, the Exploration Period for three (3) years, consisting of two year as the ("First Extension Year") and another one year as the ("Second Extension Year"), provided that, it shall have fulfilled its obligations hereunder for the then current period. CONTRACTOR shall notify MOGE thirty (30) days prior to the end of the Initial Exploration Period or the then current extension period that it intends to enter into any such extension to the Exploration Period.

3.5 If seismic or drilling operations (including testing) are in progress at the end of the Initial Exploration Period or any extension of the Exploration Period, the current period shall be automatically extended until sixty (60) days after completion of such operations. If CONTRACTOR shall have made a Discovery during the Initial Exploration Period, or any extension of the Exploration Period, the current period shall be automatically extended as to the Discovery Area designated pursuant to Section 7 for such additional period as shall be sufficient for CONTRACTOR in accordance with the terms of this Contract to appraise the Discovery and declare a Commercial Discovery and designate a Development and Production Area.

3.6 A Development and Production Period shall commence with respect to each Development and Production Area on the date that CONTRACTOR gives

notice of Commercial Discovery relating to such Development and Production Area and shall continue until the expiration of twenty (20) years from the date of completion of development in accordance with the Development Plan for such Development and Production Area or the expiration of the sale(s) contract(s) relating to the sale and purchase of Petroleum produced hereunder whichever is longer.

3.7 Without limiting the rights of the Parties under Section 17 and 20, in the event that the Parties agree that CONTRACTOR is prevented or impeded from carrying on Petroleum Operations or gaining access to the Contract Area for reasons relating to the protection of personnel, subcontractors, property, or the environment, CONTRACTOR's obligations hereunder shall be suspended from the time of the commencement of such impairment until the impairment has been alleviated. As soon as practicable thereafter, the Parties shall meet and agree upon a period of time which shall be added to the Study Period and/or Exploration Period and/or any Development and Production Period, which period of time shall be equivalent to the amount of time necessary to restore Petroleum Operations to the status which they occupied at the time of the impairment.

If the impairment of Petroleum Operations described above should continue for a period of time exceeding two (2) years, CONTRACTOR shall have the right to elect in its sole discretion to terminate this Contract and CONTRACTOR shall be discharged from all further obligations under this Contract, including specifically without limitation the obligation to pay any deficiency under Section 5.3 and perform the minimum work commitments under Section 5.2 below.

SECTION 4

RELINQUISHMENTS

4.1 Not later than at the end of the Exploration Period (including any extension), all of the Contract Area other than Discovery Areas and Development and Production Areas shall be relinquished. Notwithstanding the foregoing, if CONTRACTOR elects to enter into the Second Extension Year of the Exploration Period as described in Section 3.4, CONTRACTOR shall select from the Contract Area an area or areas totaling not more than 75% of the Contract Area (excluding any Discovery Areas and Development and Production Areas) in which to carry out further Petroleum Operations. The remainder of the Contract Area, other than Discovery Areas and Development and Production Areas, shall be relinquished at the time of such selection.

4.2 CONTRACTOR may at any time relinquish voluntarily its rights hereunder to conduct Petroleum Operations in all or any part of the Contract Area. Any such voluntary relinquishment of less than all the Contract Area shall be credited toward any subsequent relinquishment obligations hereunder.

4.3 No relinquishment shall relieve CONTRACTOR from its obligation for the accrued but unfulfilled minimum work commitments specified in Section 5.3 of this Contract.

4.4 At least thirty (30) days in advance of the date of the relinquishment under Sections 4.1 and 4.2, CONTRACTOR shall notify MOGE of the portions of the Contract Area to be relinquished. In connection with any relinquishment of less than all of the Contract Area, the CONTRACTOR and MOGE shall consult with each other in order to ensure that each individual portion of the Contract Area relinquished shall, so far as reasonably possible, be of sufficient size and shape to enable Petroleum Operations to be conducted thereon.

SECTION 5

MINIMUM WORK COMMITMENT

5.1 Subject to the provisions hereof, CONTRACTOR shall commence Petroleum Operations promptly, after adoption of the initial Work Programme and Budget pursuant to Section 6.2 and the issuance of all permits, clearances and licenses necessary for the commencement for field operations. As soon as practicable following the Effective Date, CONTRACTOR shall file such documents as shall be required to effect registration as a foreign corporation authorized to do business in Myanmar.

5.2 Subject to the provisions of this contract, the CONTRACTOR shall perform the following Exploration Operations.

(a) During the Study (TEA) Period of two (2) years, to reprocess and interpret existing 2D seismic, all at an estimated cost of U.S. Dollars two Million and seven-hundred and fifty thousand (US$ 2,750,000.00).

(b) If CONTRACTOR elects to enter into the Initial Exploration Period for three (3) years, during Year 1 of the Initial Exploration Period, to acquire, process and interpret seismic data, all at an estimated cost of U.S. Dollars eleven Million (US$ 11,000,000.00).

(c) During Year 2 of the Initial Exploration Period, to conduct prospect evaluation and drill one (1) well, all at an estimated cost of U.S. Dollars sixty Million (US$ 60,000,000.00).

(d) During Year 3 of the Initial Exploration Period, to conduct post well evaluation studies, all at an estimated cost of U.S. Dollars two Million (US$ 2,000,000.00).

(e) If CONTRACTOR elects to enter into the First Extension Period of the Exploration Period for two (2) years, during Year 1 of the First Extension Period, to conduct prospect evaluation, all at an estimated cost of U.S. Dollars two Million (US$ 2,000,000.00).

(f) During Year 2 of the First Extension Period, to drill one (1) well, all at an estimated cost of U.S. Dollars sixty Million (US$ 60,000,000.00).

(g) If CONTRACTOR elects to enter into the Second Extension Period of the Exploration Period for one (1) year, to drill one (1) well, all at an estimated cost of U.S. Dollars sixty Million (US$ 60,000,000.00).

The minimum work commitments specified in Section 5.2 (b) to (g), respectively, shall only apply to the extent that CONTRACTOR elects to exercise its option to proceed into or extend, as the case may be, the Exploration Period as provided in Section 3.4.

5.3 If the CONTRACTOR fails to fulfill the minimum work commitment described in Section 5.2 (a) to (g) for Study and Exploration Operations:

(a) during the Study (TEA) Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (a) and the amount actually expended on study operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the study operations set forth in Section 5.2 (a) during the Study Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2 (a) whether or not such amount was actually expended, or

(b) during the Initial Exploration Period, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (b) to (d) and the amount actually expended on Exploration Operations, provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2 (b) to (d) during the Initial Exploration Period it shall be deemed to have fulfilled the minimum work commitments set forth in Section 5.2 (b) to (d) whether or not such amount was actually expended, or

(c) during extension of the Exploration Period thereafter, CONTRACTOR shall fulfill its obligation by paying the deficiency, if any, between the estimated costs specified in Section 5.2 (e) and (g) attributable to such extension and the amount actually expended on or accrued for Exploration Operations during such extension provided however, that notwithstanding anything contained in this Contract to the contrary, if CONTRACTOR has performed the Exploration Operations set forth in Section 5.2 (e) and (g) attributable to such extension of the Exploration Period it shall be deemed to have fulfilled the work commitments set forth in Section 5.2 (e) and (g) for such extension, whether or not such amount was actually expended.

Notwithstanding anything in this Contract to the contrary, payment of such amount, if any, by CONTRACTOR in accordance with this Section 5.3, shall be MOGE's exclusive remedy for CONTRACTOR's failure to fulfill its minimum work commitment.

5.4 **Guarantees**

5.4.1 On the Effective Date, CONTRACTOR shall provide, in the form shown in Annexure "D" a Parent Company Guarantee as well as within thirty (30) days after entering into Study (TEA) Period provide a Performance Bank Guarantee issued by any State Owned Banks in Myanmar in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (a). If CONTRACTOR enters into the Initial Exploration Period it shall, provide similar Guarantees in respect of the minimum expenditure commitment of CONTRACTOR under Section 5.2 (b) to (d). If CONTRACTOR enters into any

extension of the Exploration Period it shall, subject to Section 5.5 provide similar Guarantees in respect of the minimum expenditure commitment of the relevant extension period.

5.4.2 The CONTRACTOR shall furnish the Performance Bank Guarantee to MOGE in the amount equal to ten (10) percent of the aggregate value of its minimum expenditure commitment of Study (TEA) Period under Section 5.2 (a), in the event of entering into the Initial Exploration Period under Section 5.2 (b) to (d) and any extension of Exploration Period for the respective extension, same percentage of Performance Bank Guarantee shall be applicable; on condition that such Performance Bank Guarantee shall be provided within thirty (30) days after entering into such extension.

The Proceeds of Performance Bank Guarantee shall be payable to MOGE as compensation for any failure of CONTRACTOR's minimum work commitment under this Section 5.

Subject to the above clauses under Section 5.4.2, the Performance Bank Guarantee will be discharged by MOGE and return to CONTRACTOR not later than twenty (20) days following the date of completion of the respective period.

5.5 In the event the CONTRACTOR fails to perform the Exploration Operations specified in Section 5.2 (b) to (d) during the Initial Exploration Period but desires to enter into the extension of the Exploration Period and has carried out Petroleum Operations with diligence, MOGE shall permit the CONTRACTOR to perform the Exploration Operations required during a specified extension in any subsequent extension of the Exploration Period.

5.6 If CONTRACTOR performs Exploration Operations beyond those required by Section 5.2 (b) to (g) during the Initial Exploration Period or during the extension of the Exploration Period, the Additional Exploration Operations performed shall be credited toward CONTRACTOR's minimum work commitment obligations for the succeeding extension(s) of the Exploration Period.

SECTION 6

WORK PROGRAMMES AND BUDGETS

6.1 Unless otherwise provided herein, CONTRACTOR shall conduct Petroleum Operations in accordance with approved Work Programmes and Budgets and shall commence Petroleum Operations hereunder not later than three (3) months after the Commencement of the Operation Date.

6.2 Within sixty (60) days after the Commencement of the Operation Date, CONTRACTOR shall prepare and submit to MOGE for approval a Work Programme setting forth the Petroleum Operations which CONTRACTOR proposes to conduct during the first Contract Year and a Budget with respect thereto.

6.3 At least ninety (90) days before the end of the first Contract Year and every Contract Year thereafter, CONTRACTOR shall prepare and submit to MOGE for approval a proposed Work Programme and Budget for the next succeeding Contract Year.

6.4 If MOGE does not propose revisions to said Work Programme and Budget within such thirty (30) days period, the Work Programme and Budget proposed by CONTRACTOR shall be deemed to have been approved.

6.5 If MOGE requests any changes to the said Work Programme and Budget within such thirty (30) days provided in Section 6.4, then CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Work Programme and Budget. Revision to the Work Programme and Budget, agreed within a further period of thirty (30) days shall be incorporated in a revised Work Programme and Budget which shall then be deemed approved and adopted.

6.6 It is recognized by the Parties that the details of a Work Programme may require changes in the light of existing circumstances and nothing herein contained shall limit the right of the CONTRACTOR to make such changes with written approval of MOGE, provided they do not change the general objective of the Work Programme, nor increase the expenditure in the approved Budget.

6.7 It is further recognized that in the event of emergency or extraordinary circumstances requiring immediate action either Party may take all actions it deems proper or advisable to protect their interests and those of their respective employees and any costs so incurred shall be included in the Petroleum Costs.

6.8 MOGE agrees that the approval of a proposed Work Programme and Budget will not be unreasonably withheld and shall be approved if the Work Programme is consistent with generally accepted international petroleum industry practices.

6.9 The minimum Work Programme and Budget estimated for Study and each Exploration Periods shall be set forth by the Contractor as follows subject to provisions of Section 5:

Contract Period	Estimated Expenditure	Work Programme
Study (TEA) Period (2 years)	US$ 2,750,000.00	To conduct reprocess and interpret existing 2D seismic
Initial Exploration Period (Year 1)	US$ 11,000,000.00	To acquire, process and interpret 3D seismic data
Initial Exploration Period (Year 2)	US$ 60,000,000.00	To drill one (1) year
Initial Exploration Period (Year 3)	US$ 2,000,000.00	To conduct post-well evaluation studies
First Extension Period (Year 1)	US$ 2,000,000.00	To conduct prospect evaluation
First Extension Period (Year 2)	US$ 60,000,000.00	To drill one (1) well
Second Extension Period (1 Year)	US$ 60,000,000.00	To drill one (1) well
TOTAL	**US$ 197,750,000.00**	

SECTION 7

DISCOVERY AND APPRAISAL

7.1 The CONTRACTOR shall notify MOGE not later than thirty (30) days after any Discovery of Petroleum within the Contract Area. This notice shall summarize all available details of the Discovery and particulars of any additional testing programme to be undertaken and a map showing an outline of the boundaries of an area comprised of the portion of the Contract Area believed by CONTRACTOR to contain the Discovery.

7.2 If the CONTRACTOR considers that a Discovery merits appraisal, the CONTRACTOR shall, subject to Section 13 for Natural Gas, submit to the MOGE as soon as is practicable after completion of the exploration well in question a detailed Appraisal Programme and Budget to evaluate whether the Discovery is a Commercial Discovery.

7.3 If MOGE considers that an Appraisal Programme for a Discovery Area is merited, according to generally accepted international petroleum industry practices, MOGE may request that CONTRACTOR undertake such an Appraisal Programme, provided however that the CONTRACTOR may give reasons, also according to generally accepted international petroleum industry practices, as to why said Appraisal Programme should not be performed or should be deferred and the period of deferment.

7.4 The Appraisal Programme and Budget submitted by the CONTRACTOR to MOGE under Section 7.2 shall describe the Discovery Area, and the location, nature and estimated size of the Discovery and a designation of the area to be included in the evaluation. Once designated, a Discovery Area shall extend to all depths within its lateral boundaries, except as may be limited by Section 8. The Appraisal Programme shall also include a plan of all drilling, testing and evaluation to be conducted in the Discovery Area and all technical and economic studies related to recovery, treatment and transportation and delivery of Petroleum from Discovery Area.

7.5 If MOGE requests any changes to the Appraisal Programme and Budget for any Discovery Area, then MOGE shall so notify the CONTRACTOR in writing within fifteen (15) days of receipt thereof and the CONTRACTOR and MOGE shall meet within fifteen (15) days after receipt by the CONTRACTOR of MOGE's written notification as to the requested changes to endeavor to agree on a revised Appraisal Programme and Budget. The Appraisal Programme and Budget approved and adopted shall be CONTRACTOR's proposal as modified by agreed changes adopted thirty (30) days after receipt by the CONTRACTOR of MOGE's written notification of requested changes. If no changes are requested by MOGE, then CONTRACTOR's Appraisal Programme and Budget shall be deemed approved. The Parties recognize that the details of the Appraisal Programme may require modification as the result of changing circumstances and in that event, CONTRACTOR may make changes consistent with those set forth in this Section 7.

7.6 After adoption of the Appraisal Programme and Budget, the CONTRACTOR shall diligently continue to evaluate the Discovery in accordance with such programme without undue interruptions.

7.7 Within ninety (90) days after the evaluation is completed, but in any event prior to the expiration of the Exploration Period, or extension thereof pursuant to Section 3.4 or Section 3.5, the CONTRACTOR shall subject to Section 13, for Natural Gas, notify and report to MOGE whether the Discovery Area contains a Commercial Discovery. Such report shall include all relevant technical and economic data relating thereto.

7.8 For the purposes of this Section 7, the CONTRACTOR shall make a determination as to whether a Discovery is a Commercial Discovery on the basis of whether that Discovery can be produced commercially after consideration of pertinent operating and financial data collected during the performance of the Appraisal Programme and otherwise, including but not limited to Crude Oil and / or Natural Gas recoverable reserves, sustainable production levels and other relevant technical and economic factors, market availability, the basic Natural Gas pricing principles prevailing internationally, taking in consideration such factors as market, quality and quantity of the Natural Gas according to generally accepted internationally petroleum industry practices and the applicable laws of Myanmar and the provisions of this Contract.

SECTION 8

DEVELOPMENT AND PRODUCTION

8.1 At any time prior to the expiration of the Exploration Period, CONTRACTOR may notify MOGE in writing that CONTRACTOR has made a Commercial Discovery and furnish a map describing an area believed by CONTRACTOR to contain the Commercial Discovery ("Discovery Area"). If the CONTRACTOR reports that a Discovery is a Commercial Discovery under Section 7.7, a Development Plan shall be prepared by the CONTRACTOR and submitted to the MOGE as soon as is practicable after the completion of the Appraisal Work Programme.

8.2 The Development Plan shall be prepared on the basis of sound engineering and economic principles in accordance with generally accepted international petroleum industry practices and shall be designed to ensure that the Petroleum deposits do not suffer an excessive rate of decline of production or an excessive loss of reservoir pressure and shall adopt the optimum economic well spacing appropriate for the development of those Petroleum deposits.

8.3 The Development Plan shall contain:

a) Details and the extent of the proposed Development and Production Area relating to the Commercial Discovery, which area shall correspond to the geographical extension of the Commercial Discovery plus a reasonable margin, and shall be designated as the Development and Production Area for the Commercial Discovery concerned. Once designated, a Development and Production Area shall extend to all depths within lateral boundaries.

b) Proposals relating to the spacing, drilling and completion of wells, the production and storage installations and the transportation and delivery facilities required for the production, storage and transportation of Petroleum within and outside of the Contract Area. In the event that pipeline and/or other transportation facilities for the transportation and delivery of Petroleum outside the Development and Production Area are contemplated by the CONTRACTOR, the Development Plan may provide:

i) For financing and construction of the pipeline and/or other transportation facilities.

ii) For the payment of transportation tariffs by the users of the facilities which are based upon the costs of financing, constructing, operating and maintaining the pipeline and / or other transportation facilities, including depreciation thereof, any applicable taxes, and a reasonable return on investment.

iii) For the ownership, financing and construction of pipeline and/or transportation facilities under a separate contract between the Parties, and in the event of such a proposal, the ownership, financing and construction of such pipeline and / or transportation facilities under such separate contract shall be as mutually agreed. The execution of a separate contract by the Parties for the ownership, financing and construction of pipeline and / or transportation facilities outside the Development and Production Area shall not amend, abridge, limit or otherwise modify the Parties' respective rights and obligations under this Contract, unless otherwise expressly agreed.

c) Proposals relating to necessary infrastructure investments and employment of Myanmar nationals, and use of Myanmar materials, products and services shall be made in accordance with Section 17.2 herein.

d) A production forecast and an estimate of the investment and expenses involved.

e) An estimate of the time required to complete each phase of the Development Plan.

8.4 MOGE may require the CONTRACTOR to provide within thirty (30) days of receipt of the Development Plan such further information as is readily available and as MOGE may reasonably need to evaluate the Development Plan for any Development and Production Area.

8.5 If MOGE does not request in writing any changes to the Development Plan within ninety (90) days after receipt thereof, the plan shall be deemed approved and adopted by MOGE.

8.6 If MOGE requests any changes to the Development Plan within such ninety (90) days provided in Section 8.5, then the CONTRACTOR and MOGE shall meet within fifteen (15) days of receipt by CONTRACTOR of MOGE's written notification as to the requested changes to agree on changes to the Development Plan. Revision to the Development Plan, agreed within a further period of ninety (90) days shall be incorporated in a revised plan which shall then be deemed approved and adopted.

8.7 After the Development Plan has been adopted, the CONTRACTOR shall submit to MOGE for discussion ninety (90) days before the end of each subsequent Financial Year a detailed statement of the Development Work Programme and Budget for such subsequent Financial Year, and, for the first full Financial Year and the portion of the Calendar Year preceding the first full Financial Year, a detailed statement of the Development Work Programme and Budget thereof shall be submitted within ninety (90) days after the date of adoption of the Development Plan under Section 8.5. Each such annual detailed statement of the Development Work Programme and Budget thereof shall be consistent with the Development Plan adopted under Section 8.5 or as revised pursuant to Sections 8.6 and 8.8.

8.8 The CONTRACTOR may at any time submit to MOGE revisions to any Development Plan or Development Work Programme and Budget. These revisions shall be consistent with the provisions of Section 8.2 and shall be subject to the approval procedure set forth in Sections 8.5 and 8.6.

8.9 The CONTRACTOR shall commence Development and Production Operations not later than three (3) months after the date of adoption of the Development Plan under Section 8.5 or Section 8.6.

8.10 Where MOGE and the CONTRACTOR agree that a mutual economic benefit can be achieved by constructing and operating common facilities (including, but not limited to, offshore production and processing structures, pipelines and other transportation, communication and storage facilities and value added downstream plants), the CONTRACTOR shall use its reasonable efforts to reach agreement with other producers and MOGE on the construction and operation of such common facilities, investment recovery and charges to be paid.

8.11 If, subsequent to the designation of a Development and Production Area, the extent of the area encompassing the Commercial Discovery or another such area over or underlying it is reasonably expected to be greater than the designation in the Development Plan under Section 8.3, the Development Area shall be enlarged accordingly, provided that the area covered shall be entirely within the original Contract Area designated in Section 1.14 (a) or, otherwise, not being yet awarded to any person other than MOGE.

SECTION 9

COST RECOVERY AND PROFIT PETROLEUM ALLOCATION

9.1 Subject to the provisions of Section 8.3 (b) referring to the financing and construction of the pipeline and/or other transportation facilities, CONTRACTOR, including MOGE pursuant to Section 19, shall provide all funds required to conduct Petroleum Operations under this Contract and may recover its costs and expenses only out of Cost Petroleum in the manner and to the extent permitted under Section 9.4. CONTRACTOR shall have the right to use free of charge Petroleum produced from the Contract Area to the extent it considers necessary for Petroleum Operations under this Contract.

9.2 Petroleum produced and saved and not used in Petroleum Operations (hereinafter referred to as "Available Petroleum" or "Available Crude Oil" or "Available Natural Gas" as may be applicable) shall be measured at the Delivery Point and allocated as set forth in Section 9.7.

9.3 CONTRACTOR may take such portion of Available Petroleum from the Contract Area as is necessary to discharge CONTRACTOR's obligations to pay the Royalty specified in Section 10.

9.4 CONTRACTOR shall recover all Petroleum Costs in accordance with Annexure "C" in respect of all Petroleum Operations hereunder to the extent of sixty percent (60%) per Quarter of all Available Petroleum from the Contract Area, provided, however, that in the event a Development and Production Area contains within its boundaries any well, equipment or facilities at a location (on or below the water surface or seabed) the water depth of which is more than 2,000 feet, then Petroleum Costs in respect of all Petroleum Operations in such Development and Production Area shall be recovered to the extent of seventy percent (70%) per Quarter of all Available Petroleum from such Development and Production Area and provided further, that (a) all costs and expenses of Development and Production Operations (inclusive of pipeline cost to move Crude Oil and / or Natural Gas to the Delivery Point for sale or transfer of ownership) in respect of any Development and Production Area shall be recoverable from Available Petroleum produced from any Development and Production Area, and (b) that all costs and expenses of Exploration Operations carried out in the Contract Area shall be recoverable from Available Petroleum produced from any Development and Production Area. Such Petroleum Costs shall be recovered out of Cost Petroleum in the later part of the Quarter in which such expenditures are incurred or in the Quarter in which Commencement of Commercial Production first occurs within the Contract Area.

9.5 To the extent that costs or expenses recoverable in a Quarter under Section 9.4 exceed the value of all Cost Petroleum from the Contract Area for such Quarter, the excess shall be carried forward for recovery in the next succeeding Quarter thereafter until fully recovered, but in no case after termination of this Contract.

9.6 The Petroleum valuation provisions of Section 12 shall be used for determining the value and quantity of Cost Petroleum by CONTRACTOR according to the incremental scale of Sections 9.4 and 9.5, based on average daily production over the Quarter from the relevant Development and Production Area.

9.7 With respect to each Development and Production Area, Available Petroleum not taken for purpose of payment of the Royalty under Section 10 nor taken as Cost Petroleum, as described in Sections 9.4 and 9.5, shall be "Profit Petroleum" in a Quarter and shall be allocated between MOGE and CONTRACTOR according to the following incremental scale, based on average daily production over the Quarter from the relevant Development and Production Area.

a) Available ***Crude Oil*** for water depths of 2,000 feet or less:

Barrels per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 25,000	60	40
25,001 – 50,000	65	35
50,001 – 100,000	75	25
100,001 – 150,000	80	20
> 150,000	85	15

b) Available ***Natural Gas*** for water depths of 2,000 feet or less:

Million Cubic Feet per Day	**MOGE SHARE (%)**	**CONTRACTOR SHARE (%)**
0 – 300	60	40
301 – 600	70	30
601 – 900	80	20
> 900	90	10

c) Available ***Crude Oil*** for water depths more than 2,000 feet:

Barrels per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 25,000	55	45
25,001 – 50,000	60	40
50,001 – 100,000	65	35
100,001 – 150,000	75	25
> 150,000	80	20

d) Available ***Natural Gas*** for water depths more than 2,000 feet:

Million Cubic Feet per Day	MOGE SHARE (%)	CONTRACTOR SHARE (%)
0 – 300	45	55
301 – 600	50	50
601– 900	50	50
> 900	55	45

9.8 a) Subject to its obligations under Section 14, CONTRACTOR shall receive for each Quarter at the Delivery Point and, may separately dispose of, Crude Oil to which it is entitled pursuant to Section 9.4 plus its share in Profit Petroleum as stipulated in Section 9.7. Title and risk of loss shall pass to the buyer/recipient at such Delivery Point.

b) Natural Gas will be disposed of pursuant to the provisions of Section 13 and Section 14.

c) Each Party shall be responsible for the costs, incurred in disposing of its entitlement of Petroleum beyond the Delivery Point.

9.9 CONTRACTOR shall conduct a review of production programme prior to the Commencement of Commercial Production from any Development and Production Area and shall establish production at the maximum efficient rate needed to achieve the maximum ultimate economic recovery of Petroleum from that Development and Production Area in accordance with generally accepted standards of the international petroleum industry.

9.10 At least one hundred and eighty (180) days prior to Commencement of Commercial Production from a Development and Production Area, MOGE and CONTRACTOR shall agree on a procedure for lifting of their respective entitlements of Crude Oil, such procedure to contain reasonable provisions for under lift and over lift and for each Party to have the right to accumulate and lift economic sized cargoes.

9.11 The provision regarding payment of Income Tax imposed upon CONTRACTOR under the applicable provisions of the Income Tax Laws of the Republic of the Union of Myanmar shall be applied as follows:

a) CONTRACTOR shall be subject to the Myanmar Income Tax Laws and shall comply with requirements of the Myanmar Income Tax Law in particular with respect to filing of returns, assessment of tax, keeping and showing of books and records.

b) CONTRACTOR's annual taxable income for Myanmar Income Tax purposes shall be an amount equal to the CONTRACTOR's net income attributable to the Profit Petroleum allocated to the CONTRACTOR pursuant to Section 9.7 as adjusted for all other expenditures that may not be cost recoverable, but that are by reason of being normal business expenditures, deductible under the Income Tax Laws of the Republic of the Union of Myanmar. It is understood by both Parties that for purpose of determining net taxable income, CONTRACTOR shall also be allowed to deduct all legitimate and reasonable expenses incurred for the purpose of earning income under the existing provisions of the Myanmar Income Tax Law. Such expenses include but are not limited to:

   i) interest incurred by CONTRACTOR to finance the Petroleum Operations (to the extent not cost recoverable); and

   ii) production bonuses paid by CONTRACTOR pursuant to Section 11; and

c) The CONTRACTOR shall pay Myanmar Income Tax on the annual net taxable income as defined in Section 9.11 (b) above, in accordance with the provisions of the Income Tax Laws of the Republic of the Union of Myanmar and subject to the entitlements under the provisions of the Foreign Investment Law.

d) MOGE shall assist the CONTRACTOR to obtain proper official receipts evidencing the payment for CONTRACTOR's Myanmar Income Tax. Such receipts shall be issued by a duly constituted authority for the collection of Myanmar Income Taxes and shall state the amount and other particulars customary for such receipts. Provisional receipts shall be issued within ninety (90) days following the commencement of the next ensuing Financial Year and final receipt shall be issued not later than ninety (90) days after provisional receipts have been issued.

e) As used herein, Myanmar Income Tax shall be inclusive of all taxes on income payable to the Republic of the Union of Myanmar.

SECTION 10

ROYALTY

10.1 Royalty shall be paid in whole or in part, in cash or in kind, at the option of the Government, as provided in this Section 10.

10.2 In the absence of an election on the part of the Government to take Royalty in kind, Royalty accruing during a Quarter shall be paid in cash within thirty (30) days after the end of that Quarter. CONTRACTOR shall pay to the Government a Royalty equal to twelve point five percent (12.5%) of the value of Available Petroleum from the Contract Area, determined in accordance with Section 12, and adjusted by deducting an amount equal to the cost of transportation from the Delivery Point to the usual point of export.

10.3 CONTRACTOR shall be given at least one hundred and eighty (180) days prior notice of an election by the Government to take Royalty in kind and such option shall be effective for a minimum period of one (1) year. Unless otherwise agreed by the Government and CONTRACTOR, if the Government elects to take Royalty in kind, twelve point five percent (12.5%) of the Available Petroleum shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules. A lifting and nomination procedure will be agreed upon to effect regular and even lifting so as not to disrupt CONTRACTOR's lifting schedules.

10.4 Royalty shall not be recoverable from Cost Petroleum.

SECTION 11

DATA FEE AND BONUSES

11.1 Data Fee

CONTRACTOR shall, within thirty (30) days after the Commencement of the Operation Date, pay to MOGE the sum of U.S. Dollars one Million (US$ 1,000,000) as Data Fee for data and information referred to in Section 2.4. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9 but tax deductible pursuant to Section 9.11.

11.2 Signature Bonus

Provided CONTRACTOR does not exercise its right to terminate this Contract pursuant to Section 3.4, CONTRACTOR shall, within thirty (30) days after entering into the Initial Exploration Period, pay to MOGE the sum of U.S. Dollars Ten Million and two-hundred thousand (US$ 10,200,000.00) as a Signature Bonus. Such amount shall not be credited to CONTRACTOR's minimum work commitment under Section 5.2 and shall not be recoverable from Cost Petroleum under Section 9.

11.3 Production Bonus - Crude Oil

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Crude Oil Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Crude Oil.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Twenty Five Thousand (25,000) Barrels per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Fifty Thousand (50,000) Barrels per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred Thousand (100,000) Barrels per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Thousand (150,000) Barrels per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Crude Oil production from such Development and Production Area over any consecutive ninety (90) days period reaches Two Hundred Thousand (200,000) Barrels per day.

11.4 Production Bonus – Natural Gas

CONTRACTOR shall pay the following Production Bonuses to MOGE with respect to each Natural Gas Development and Production Area:

(a) U.S. Dollars One Million (US$ 1,000,000) within thirty (30) days after approval of the Development Plan for a Commercial Discovery of Natural Gas.

(b) U.S. Dollars Two Million (US$ 2,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches One Hundred and Fifty Million Cubic Feet (150,000,000 ft^3) per day.

(c) U.S. Dollars Three Million (US$ 3,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Three Hundred Million Cubic Feet (300,000,000 ft^3) per day.

(d) U.S. Dollars Four Million (US$ 4,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Six Hundred Million Cubic Feet (600,000,000 ft^3) per day.

(e) U.S. Dollars Five Million (US$ 5,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Seven Hundred and Fifty Million Cubic Feet (750,000,000 ft^3) per day.

(f) U.S. Dollars Ten Million (US$ 10,000,000) within thirty (30) days after the first date when total average daily Natural Gas production from such Development and Production Area over any consecutive ninety (90) days period reaches Nine Hundred Million Cubic Feet (900,000,000 ft^3) per day.

11.5 Production Bonuses paid in accordance with Section 11.3 and 11.4 shall not be recoverable from Cost Petroleum.

SECTION 12

VALUATION OF PETROLEUM

12.1 Terms used in this Section shall have the following meanings:

a) "Arms Length Sales" means sales on the international market in freely convertible currencies between willing and unrelated sellers and buyers, excluding sales between Affiliates, sales between governments or government owned entities, sales affected by other commercial relationships between seller and buyer, transactions involving barter, and more generally any transactions motivated wholly or partly by considerations other than the usual commercial incentives.

b) "Reference Crude" means Crude Oil(s) produced in Asia which is/are of comparable gravity and quality to the Crude Oil valued hereunder. The appropriate Crude Oil(s) comprising Reference Crude shall be selected and agreed by MOGE and CONTRACTOR at least one hundred and eighty (180) days prior to Commencement of Commercial Production from any Development and Production Area.

c) "Reference Crude Price" means the average Free on Board ("FOB") point of export spot price for Reference Crude during the relevant time period as quoted in Platt's Oilgram Price Report or such other publication as MOGE and CONTRACTOR may agree, adjusted as necessary to exclude non-Arms Length Sales and to reflect thirty (30) days payment terms and differences in gravity and quality between the Reference Crude and the Crude Oil being valued hereunder.

d) "Transportation Cost" means the transportation cost determined by reference to the Average Freight Rate Assessment ("AFRA") last published by the London Tanker Broker and Association, or such other published Crude Oil freight rate as MOGE and CONTRACTOR may agree, applicable to voyages between the points specified, using vessels of appropriate size.

12.2 For the purpose of Section 9 and Section 10, a U.S. Dollar value per Barrel of Crude Oil shall be determined each Quarter. Such value shall be the Fair Market Value determined and defined in accordance with Section 12.3.

12.3 The Fair Market Value shall be the volume-weighted average of:

a) the price actually received by CONTRACTOR during the relevant Quarter in Arms Length Sales, if any, adjusted to reflect FOB point of export delivery terms and thirty (30) day payment terms, and

b) the Reference Crude Price applicable for Crude Oil sold by CONTRACTOR during the relevant Quarter in non Arms Length Sales, adjusted to a Yangon point of export basis by adding the Transportation Cost of the Reference

Crude from its point of export to the market in which Myanmar Crude Oil would normally be sold and subtracting the Transportation Cost from Yangon to the market in which Myanmar Crude Oil would normally be sold.

12.4 Within twenty (20) days following the end of each Quarter, CONTRACTOR shall determine Crude Oil value in accordance with this Section and shall notify MOGE. Unless within twenty (20) days after receipt of such notice MOGE notifies CONTRACTOR that it does not agree with CONTRACTOR's determination and specifies in such notice the basis for such disagreement, the CONTRACTOR's determination shall conclusively be deemed to have been accepted. For Crude Oil Sales overlapping Quarters, a reconciliation mechanism shall be provided within the lifting procedure to be agreed upon as provided in Section 9.10.

12.5 In the event MOGE shall have timely notified CONTRACTOR, within the above described twenty (20) day period that it disagrees with CONTRACTOR's determination of Crude Oil value, MOGE and CONTRACTOR shall meet to discuss the CONTRACTOR's determination. Should MOGE and the CONTRACTOR fail to reach agreement on the Crude Oil value within seventy-five (75) days after the end of the Quarter in question, either Party may submit the value determination (and the selection of the Crude Oil to comprise Reference Crude if not previously agreed) to a panel of arbitrator in accordance with the provisions of Section 22.

12.6 The allocation of Crude Oil for Section 9, Section 10 and Section 14 shall be based on the value last determined or in the event of a dispute pursuant to Section 12.5, the average of the value determined by CONTRACTOR and the value proposed by MOGE. When a new value is determined, that value shall be applied retroactively for the Quarter in which the sales used in the determination occurred and appropriate adjustments shall then be made in the allocations of the Parties to reflect the retrospective application of the new Crude Oil value.

12.7 Natural Gas produced and sold during a Quarter shall be valued at the price realized by CONTRACTOR.

SECTION 13

NATURAL GAS

13.1 Any Natural Gas produced from the Contract Area, to the extent not used in Petroleum Operations there under, may be flared if the processing or utilization thereof is not economical. Such flaring shall be permitted to the extent that Natural Gas is not required to effectuate the economic recovery of Petroleum by secondary recovery operations, including repressuring and recycling.

13.2 In the event, however, CONTRACTOR considers that the processing and utilization of Natural Gas is not economical, then MOGE may choose to take from the outlet of the producing facilities at no cost to the CONTRACTOR and utilize such Natural Gas, free of charge that would otherwise be flared. All costs and liabilities related to the taking and handling of such gas shall be the exclusive responsibility of MOGE and for its sole account and risk.

13.3 If, upon completion of an Appraisal Programme, CONTRACTOR considers that a Discovery of Natural Gas is significant but not then economical for development but may become so within seven (7) years, it may, without prejudice to the relinquishment provisions under Section 4 and the notice provisions under Section 7 with respect to the remainder of the Contract Area, retain the Discovery Area and at any time within such seven (7) year period re-evaluate the economic viability of development and declare a Commercial Discovery. MOGE and CONTRACTOR shall jointly make every effort to establish an economically viable gas project based on the Discovery and shall negotiate appropriate terms for such a project. Multiple extensions of one (1) year each shall be made available to CONTRACTOR if justified by market conditions. MOGE approval for such extensions shall not be unreasonably denied. CONTRACTOR shall relinquish such Discovery Area upon request of MOGE if a Development Plan has not been proposed within the seven (7) year period of retention or during any extension granted.

SECTION 14

DOMESTIC CRUDE OIL AND NATURAL GAS REQUIREMENT

14.1 The CONTRACTOR including MOGE pursuant to Section 19, shall after the Commencement of Commercial Production of Crude Oil, fulfill its obligation toward the supply of the domestic Crude Oil market in Myanmar by making a share of its entitlement of Crude Oil available to MOGE. CONTRACTOR's obligatory share of the domestic market obligation will be twenty percent (20%) of the Crude Oil allocated to CONTRACTOR under Section 9.7. The price MOGE will pay CONTRACTOR for such Crude Oil shall be the equivalent of 90% of Fair Market Values as determined in accordance with Section 12 hereof, in US Dollars. Should the Government require amounts of Crude Oil in excess of that obligatory limit required to satisfy CONTRACTOR's domestic market obligation, the price shall be the value of Crude Oil as determined in accordance with Section 12 hereof, and the currency of payment shall be US Dollars. The CONTRACTOR shall be advised in writing by MOGE not less than ninety (90) days prior to the commencement of the deliveries. Notwithstanding the above CONTRACTOR's obligation shall not exceed the extent to which the Government shall make available U.S. Dollars which may be remitted abroad in payment of such excess Crude Oil.

14.2 CONTRACTOR shall receive payment for Crude Oil sold to MOGE pursuant to this Section 14 within forty five (45) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE. In the event CONTRACTOR has not received payment within such forty five (45) day period, CONTRACTOR shall be entitled to interest, compounded monthly at LIBOR plus three percent (3%) on all unpaid amounts commencing on the forty sixth (46th) day. As used herein, LIBOR means the average interbank offered rate for one (1) month U.S. Dollar deposits in the London market, as reported in the Wall Street Journal (New York edition) or if not published, then in the Financial Times of London, on the date the interest commences to accrue.

14.3 If CONTRACTOR has not received payment within ninety (90) days after the earlier of the delivery of such Crude Oil to MOGE or when such Crude Oil is made available to MOGE pursuant to this Section 14, the CONTRACTOR's obligation to deliver Crude Oil pursuant to Sections 9 and 10, may, at CONTRACTOR's exclusive option, be suspended until such time as all payment (including interest) that are more than ninety (90) days past due are received. In order to collect past due amount, CONTRACTOR shall also have the right to lift and freely export relevant quantities of Crude Oil out of Royalty taken under Section 10 and MOGE's entitlement of Crude Oil under Sections 9.4 and 9.7, the value of which under Section 12 equals the amount owed by MOGE to CONTRACTOR, including accrued interest.

14.4 The provisions of Sections 14.1, 14.2 and 14.3 shall apply, mutatis mutandis, to the production of Natural Gas, provided, however that CONTRACTOR's

obligatory share of the domestic market obligation will be twenty-five percent (25%) of the Natural Gas allocated to CONTRACTOR under Section 9.7.

14.5 Notwithstanding the above,

(a) CONTRACTOR shall give priority to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar. If downstream industries in Myanmar cannot utilize the discovered Natural Gas and/or Crude Oil, CONTRACTOR can freely dispose of in consultation and on agreement with MOGE.

(b) In the event, CONTRACTOR considers that the Commercial Discovery is economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR will use its utmost efforts to utilize the Natural Gas and/or Crude Oil in order to produce Value Added Petroleum Downstream Products as soon as possible in consultation with MOGE under separate contract.

(c) In the event, MOGE and CONTRACTOR consider that the Commercial Discovery is not economically viable to produce Value Added Petroleum Downstream Products, CONTRACTOR shall have the right during the term hereof to freely dispose of and export or sell domestically its share of Natural Gas and/or Crude Oil and retain abroad the proceeds obtained therefrom.

SECTION 15

EMPLOYMENT AND TRAINING

15.1 In conducting Petroleum Operations hereunder, CONTRACTOR shall select its employees and determine the number thereof. CONTRACTOR shall endeavor to employ qualified Myanmar citizens in accordance with the Foreign Investment Law, rules and regulation of the Republic of the Union of Myanmar. In doing so, CONTRACTOR shall submit a staffing plan for the Development and Production Operations at all levels up to the management level. The employment of Myanmar nationals shall be reviewed from time to time by the Management Committee.

15.2 CONTRACTOR shall spend a minimum of U.S. Dollars One-Hundred and Fifty Thousand (US$ 150,000) per Contract Year during the Exploration Period of this Contract for one or more of the following purposes:

a) the purchase for MOGE of advanced technical literature, data and scientific instruments;

b) to send qualified Myanmar nationals to selected accredited universities; and

c) to send selected MOGE personnel to special courses offered by accredited institutions of higher learning or other recognized organizations in the fields of petroleum science, engineering and management.

15.3 Starting with the first Contract Year commencing after the commencement of the Development and Production Period for the first Development and Production Area, CONTRACTOR's minimum expenditure commitment under this Section shall be increased to U.S. Dollars One Hundred and Fifty Thousand (US$ 150,000) per Contract Year.

15.4 The expenditure of sums for the purposes specified above shall be spent in consulting with MOGE.

15.5 If training expenditures fall short of the minimum training expenditure obligations for a year, the deficiency shall be carried forward and expended in succeeding years. If training expenditures in any Contract Year exceed the minimum training expenditure obligation for that Contract Year the excess shall be credited to the training expenditure obligations for succeeding Contract Years.

15.6 All expenditures made pursuant to this Section 15 relating to training and education, including any payments made to MOGE pursuant to Section 15.7, shall be fully recoverable from Cost Petroleum pursuant to Section 9.

15.7 The CONTRACTOR shall establish a research & development fund in the sum of zero point five (0.5) percentage of its share of Profit Petroleum and the expenditure of this fund will be determined in consultation with MOGE and shall be cost recoverable under Section 9.

SECTION 16

TITLE OF ASSETS

16.1 CONTRACTOR's physical assets which are acquired for purposes of the Petroleum Operations shall become the property of MOGE and shall be cost recoverable by CONTRACTOR pursuant to Section 9, upon importation into Myanmar or upon acquisition in Myanmar. Data, information, reports and samples acquired or prepared by CONTRACTOR for the Petroleum Operations shall become the property of MOGE, and shall be cost recoverable by CONTRACTOR pursuant to Section 9 when acquired or prepared.

16.2 The physical assets, referred to in Section 16.1 shall remain in the custody of CONTRACTOR during the term of this Contract and CONTRACTOR shall have the unrestricted and exclusive right to use such assets in the Petroleum Operations free of charge subject to the provisions of Section 17. CONTRACTOR may retain and freely use, within or outside Myanmar, copies of all data, information and reports and representative portions of all samples, including but not limited to geologic, core, cutting and Petroleum samples.

16.3 The provisions of Section 16.1 shall not apply to assets rented or leased by CONTRACTOR or its Affiliates; nor to assets owned by CONTRACTOR's contractor, subcontractors, its / their Affiliates or other parties.

16.4 For the purpose of this Section, in the event of the replacement or transfer of the motor vehicles used by CONTRACTOR in Petroleum Operations, occurs during the term of this Contract or the expiration or termination of this Contract, CONTRACTOR shall hand-over or transfer such motor vehicles to MOGE in good condition and running status.

SECTION 17

RIGHTS AND OBLIGATIONS OF MOGE AND CONTRACTOR

17.1 MOGE shall:

a) have and be responsible for the management of the operations contemplated hereunder, however MOGE shall assist and consult with CONTRACTOR with a view to the fact that CONTRACTOR is responsible for the execution of the Work Program;

b) i) except as provided in Section 17.2 (c) and 17.2 (d) below, and in Section 9.11, assume and discharge all Myanmar's taxes imposed upon CONTRACTOR, its contractors and subcontractors during the Study Period, Exploration Period and the following period (if any) which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum, including import and export duties, customs duties, sales tax and other duties levied on materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contractors for Petroleum Operations.

ii) assume and discharge all exactions applicable under the laws of the Republic of the Union of Myanmar in respect of property, capital, net worth and operations, including any tax imposed upon goods procured domestically, sales, gross receipts or transfers of property, or any levy on or in connection with operations performed hereunder by CONTRACTOR, its contractors or its subcontractors during the Study Period, Exploration Period and the following period (if any) which the CONTRACTOR conducts the drilling operations of appraisal wells for the purpose of development of Petroleum;

iii) not be obliged to pay taxes on tobacco, liquor, and other taxes charged on goods and services, import and export duties, customs duties and sales tax and any other tax levied upon articles imported for personal use by the CONTRACTOR, its contractors and sub-contractors employees engaged in Petroleum Operations under this Contract;

c) assist and expedite CONTRACTOR's execution of the Work Programme by providing at cost facilities supplies and personnel including, but not limited to, supplying or making available all necessary visas, work permits, transportation, security protection and rights of way and easements as may be requested by CONTRACTOR and made available from the resources under MOGE's control. In the event such facilities, supplies, or personnel are not readily available, then MOGE shall promptly secure the use of such facilities, supplies and personnel from alternative sources. Expenses thus incurred by MOGE at CONTRACTOR's request shall be reimbursed to MOGE by CONTRACTOR and included in the Petroleum Cost. Such reimbursements will be made in U.S. Dollars computed at the prevailing market rate through authorized dealer bank at the time the expenses was incurred;

d) have title to all original data resulting from the Petroleum Operations including but not limited to geological, geophysical, petrophysical and engineering data, well logs and completion status reports and any other data as CONTRACTOR may compile during the term hereof for which CONTRACTOR is entitled to retain copies;

e) to the extent that it does not interfere with CONTRACTOR's performance of the Petroleum Operations reasonable use of equipment which becomes its property by virtue of this Contract solely for the Petroleum Operations or for any alternative purpose, provided that approval of CONTRACTOR is first obtained;

f) have the right to consult with CONTRACTOR regarding the immediate removal and replacement of any of the CONTRACTOR's employees at the cost of the CONTRACTOR, if in the consideration of MOGE the employee is incompetent in his work and/or unacceptable to MOGE by reason of his acts or behavior;

g) take best efforts to assist CONTRACTOR to obtain all the permits, clearances, licenses and approvals necessary for the performance of this Contract in Myanmar pursuant to Section 5.1;

h) appoint its authorized representative with respect to this Contract; and

i) assist CONTRACTOR by taking such measures as may be requested by CONTRACTOR to avoid double taxation so that CONTRACTOR's income taxes are creditable for income tax purpose, provided that such request is consistent with the laws of Myanmar.

17.2 CONTRACTOR shall;

a) furnish all funds as may be necessary for the entire Petroleum Operations executed pursuant to this Contract;

b) be responsible to conduct Petroleum Operation in accordance with the good international petroleum industry practices.

c) be responsible to withhold and pay the withholding tax for the payments made for goods and services and the appropriate authorities income tax from payments made to its expatriate employees to the extent required to do so under the Income Tax Law of the Republic of the Union of Myanmar and require CONTRACTOR's contractors and subcontractors to withhold and pay such income tax payments;

d) be responsible to pay to appropriate authorities import duties, customs duties, sales tax and other duties levied on motor vehicles brought into Myanmar for personnel use and not for field use by CONTRACTOR, its contractors and sub-contractors, in addition, except as provided in Section 17.1(b) above, be responsible to pay to appropriate authorities import and export duties, customs duties, sales tax and other duties levied on

materials, equipment and supplies brought into Myanmar by CONTRACTOR, its contractors and sub-contracts for Petroleum Operation during the period from the date which the CONTRACTOR commences the sales and purchase of Petroleum produced hereunder to the date of termination occurs under Section 25 hereof. The cost and expenses incurred shall be Cost Recoverable as Petroleum Costs under Section 9.4;

e) be responsible for execution of Work Programme which shall be implemented in a work-man like manner and CONTRACTOR shall take such precautions for protection of navigation and fishing and CONTRACTOR shall be responsible to conduct Petroleum Operations in accordance with the applicable provisions of the International Financing Corporation Performance Standards (2012), the World Bank Group Environmental, Health and Safety Guidelines for Offshore Oil & Gas Development (2007), good international petroleum industry practices and the laws, regulations and directives of the Republic of the Union of Myanmar with respect to Environmental and Social protection. The steps to carry out these obligations shall be instituted into the Work programmed. It is also understood that the execution of the Work Programme shall be exercised so as not to conflict with the laws of the Republic of the Union of Myanmar as they exist as of the Effective Date;

f) be responsible to supply discovered Natural Gas and/or Crude Oil to downstream industries established in Myanmar as priority referred to in Section 14.5.

g) be entitled to import CONTRACTOR's physical assets on Investment Basis as well as import CONTRACTOR's leased property, property of its contractors and its subcontractors on Drawback Basis;

h) be entitled to export all property which are imported on Drawback Basis;

i) have the right to sell, assign, transfer, convey or otherwise dispose of all or any part of its rights, benefits or interests under this Contract to an Affiliate or with the prior written consent of MOGE to other third parties; the consent by MOGE on this matter shall not be unreasonably withheld;

Provided that notwithstanding anything contained elsewhere in the Contract, according to the "Myanmar Income Tax Law" CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer to a non-Affiliate other than MOGE of the interests under this Contract or of the shares in the Company, registered under Section 5.1.

(1) If the amount of Net Profit arising from the said sale or transfer is up to and including US$100 million	40%
(2) If the amount of Net Profit arising from the said sale or transfer is above US$100 million and up to and including US$150 million	45%
(3) If the amount of Net Profit arising from the said sale or transfer is over US$150 million	50%

j) have the right of access to and from the Contract Area and to and from facilities wherever located at all times;

k) after entering the Initial Exploration Period, submit to MOGE daily drilling reports (where applicable) and weekly and monthly progress reports;

l) submit to MOGE copies of all such original geological, geophysical, drilling, well, production and any other data and reports, including interpretive reports, relating to the Contract Area as it may compile during the term hereof;

m) as required under Section 15, prepare and carry out plans and programmes for industrial training and education of Myanmar nationals selected by MOGE from its staff for all job classifications with respect to operations contemplated hereunder;

n) appoint authorized representative for Myanmar with respect to this Contract, who shall have an office in Yangon. Such representative shall represent CONTRACTOR in the conduct of Petroleum Operations hereunder;

o) unavoidably give preference to and require its contractors and subcontractors to give preference to such goods and services which are available in Myanmar or rendered by Myanmar nationals provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required; such payments for goods and services shall be made in US Dollars or local currency as appropriate in accordance with prevailing regulations;

p) unavoidably execute Petroleum Operations in accordance with the Work Programme utilizing twenty-five (25) percent of the approved Budget for each Financial Year for goods and services that are available in Myanmar or rendered by Myanmar nationals, provided such goods and services are offered at comparable conditions with regard to quality, price, availability at the time and in the quantities required, subject to the approval of MOGE unless otherwise agreed upon by both parties;

q) procure such goods and services for the execution of the Work Programme through international tender procedures approved by MOGE unless otherwise agreed upon by both Parties;

r) allow duly authorized representatives of MOGE to have reasonable access to the Contract Area and to the operations conducted thereon. Such representatives may examine data, books, register and records of CONTRACTOR, and make a reasonable number of surveys, drawings and tests for the purpose of enforcing this Contract. They shall, for such purpose, be entitled to make reasonable use of machinery and instruments of the CONTRACTOR. Each Party shall assume responsibility for the safety of its employees and representatives except in the case of gross negligence or willful misconduct of the other Party. Such representatives shall be given reasonable assistance by the agents and employees of the

CONTRACTOR so that none of their activities shall endanger or hinder the safety or efficiency of the operations. The CONTRACTOR shall offer such representatives all privileges and facilities accorded to its own employees in the Contract Area and shall provide them, free of charge, the temporary use of reasonable office space while they are in the Contract Area and transportation facilities for them to and from the Contract Area for the purpose of facilitating the objectives of this Section;

s) have the right to use and have access to and MOGE shall furnish all geological, geophysical, drilling, well production and other information held by MOGE or by any other governmental agency or enterprise, relating to the Contract Area including but not limited to well location maps;

t) have the right to use and have access to and MOGE shall make available so far as possible, all geological, geophysical drilling, well production and other information now or in the future held by it or by any other governmental agency or enterprise relating to the areas adjacent to the Contract Area;

u) shall employ safety precautions and safe working practices during the Petroleum Operations as are consistent with international petroleum practices;

v) prior to the Petroleum Operations commencement date nominate a person to act as the safety officer of CONTRACTOR who shall be the representative directly responsible for enforcing CONTRACTOR's safety rules;

w) not be liable to MOGE or the Government for special, indirect or consequential damages resulting from or arising out of the Petroleum Operations, including without limitation, loss of profit business interruption or the inability to produce Petroleum;

x) subject to Section 17.2 (q), have the right to freely import all materials, equipment and supplies required in connection with the performance of the Petroleum Operations;

y) require its contractors and sub-contractors to :

    i) export from the Republic of the Union of Myanmar all materials equipment and supplies (other than those consumed in the operations) within four (4) months from the expiration or termination date of the contract under which such materials, equipment and supplies were imported; and

    ii) be responsible for all such taxes and duties attributable to such items not exported within such four (4) month period;

z) establish an office within Myanmar to coordinate the operations to be conducted within the Contract Area;

aa) CONTRACTOR and its personnel, while in Myanmar, shall respect and abide by all laws and regulations of Myanmar, and shall refrain from interfering in the internal affairs of the Republic of the Union of Myanmar;

bb) be responsible to conduct environmental impact assessment (EIA) and social impact assessment (SIA) and to development of Environmental Management Plan (EMP) and implementation for the environmental protection and management in the Contract Area in accordance with the laws, rules, regulations, directive and notifications of the Republic of the Union of Myanmar in conformity with international petroleum industry's practices with respect to the environment protection and mitigation;

cc) collaborate with MOGE to implement the Extractive Industries Transparency Initiative;

dd) expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the code of conduct of each CONTRACTOR Party; and

ee) after the expiration or termination of this Contract, or relinquishment of part of the Contract Area, or abandonment of any field, prearrange to remove all equipment and installations from the area in a manner acceptable to MOGE, and perform all necessary site restoration activities in accordance with the applicable rules and regulations of the Government of the Republic of the Union of Myanmar and international petroleum industry practices to prevent hazards to human life and property of others or environment. Abandonment costs shall be recoverable from Cost Petroleum under Section 9.

SECTION 18

MANAGEMENT COMMITTEE

18.1 MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programmes. For the purpose of the proper implementation of this Contract, the Parties shall establish a Management Committee ("**Management Committee**") within forty-five (45) days from the Commencement of the Operation Date. The Management Committee shall have overall supervision and management of Petroleum Operations including approved Works Programmes and Budgets. The duties and responsibilities of the Management Committee shall be as prescribed in Annexure "E".

SECTION 19

STATE PARTICIPATION

19.1 MOGE shall have the right to demand from CONTRACTOR that up to twenty percent (20%) undivided interest in the total rights and obligations under this Contract be offered after Commercial Discovery. MOGE shall have the option to increase the undivided interest in the total rights and obligations under this Contract up to twenty five percent (25%) if the reserve is greater than five (5) trillion cubic feet on Barrels of Oil Equivalent (BOE) basis.

19.2 The right referred to in Section 19.1 shall lapse unless exercised by MOGE not later than ninety (90) days after CONTRACTOR's notification by registered letter to MOGE of its first Discovery of Petroleum in the Contract Area, which in the judgment of CONTRACTOR after consultation with MOGE can be produced commercially. MOGE shall make its demand known to CONTRACTOR by registered letter.

19.3 CONTRACTOR shall make its offer by registered letter to MOGE within thirty (30) days after receipt of MOGE's registered letter referred to in Section 19.2. CONTRACTOR's letter shall be accompanied by a copy of this Contract and a Draft Operating Agreement embodying the manner in which CONTRACTOR and the MOGE shall cooperate. The main principles of the Draft Operating Agreement are contained in Annexure "F" to this Contract.

19.4 The offer by CONTRACTOR to the MOGE shall be effective for a period of one hundred and eighty (180) days. If MOGE has not accepted this offer by registered letter to CONTRACTOR within the said period, CONTRACTOR shall be released from the obligation referred to in this Section.

19.5 In the event of acceptance by MOGE of CONTRACTOR's offer, MOGE shall be deemed to have acquired the undivided interest on the date of CONTRACTOR's notification to MOGE referred to in Section 19.2.

19.6 For the acquisition of an undivided interest in the total of the rights and obligations arising out of this Contract, MOGE shall reimburse CONTRACTOR an amount equal to the percentage interest acquired by MOGE pursuant to Section 19 of the sum of Petroleum Costs which CONTRACTOR has incurred for and on behalf of its activities in the Contract Area as from the Commencement of the Operation Date up to the date of MOGE's notification to CONTRACTOR exercising the rights mentioned in Section 19.1, in addition to the same percentage of Data Fee and the bonuses paid by the CONTRACTOR under Section 11 of this Contract. All costs incurred after such election shall be covered by the Operating Agreement between MOGE and the CONTRACTOR.

19.7 At the option of MOGE, the amount referred to in Section 19.6 shall be reimbursed:

a) either by transfer of the said amount by MOGE within three (3) months after the date of its acceptance of CONTRACTOR's offer referred to in

Section 19.3, to CONTRACTOR's account with the banking institution to be designated by CONTRACTOR in the currency in which the relevant costs have been financed or

b) by way of payment out of production of fifty percent (50%) of MOGE's production entitlements under this Contract (either as MOGE or CONTRACTOR) valued in the manner as described in Section 12 of this Contract commencing on the Commencement of Commercial Production.

19.8 At the time of its acceptance of CONTRACTOR's offer, MOGE shall state whether it wishes to reimburse in cash or out of its production entitlements in the manner indicated in Section 19.7.

19.9 If at any time MOGE wishes to dispose of all or part of its undivided interest, the CONTRACTOR shall have the right to acquire such undivided interest from MOGE on the same terms and conditions as agreed to by MOGE and the proposed transferee. The procedure to be followed will be detailed in the Operating Agreement referred to in Section 19.6.

SECTION 20

FORCE MAJEURE

20.1 In the event Force Majeure hinders, prevents or delays performance of any obligation under this Contract or the performance of any Petroleum Operations planned by CONTRACTOR for the purpose of fulfilling any such obligation:

a) the failure or delay in performance, unless due to non-availability of funds, shall be excused and the affected Party's obligations under the Contract shall be suspended while the Force Majeure continues and for a reasonable time thereafter sufficient for the affected Party to place itself in the same position as immediately prior to the occurrence of Force Majeure, and

b) the period of suspension shall be added to the term of this Contract and all designated deadlines and time periods for making payments and performing Petroleum Operations under the Contract shall be extended accordingly.

20.2 For purposes of this Contract "Force Majeure" means any event beyond the reasonable control of the Party invoking it. By way of illustration only, Force Majeure includes but shall not be limited to strikes, active hostilities or imminent threat of hostilities, blockades, riots, insurrection, fire, epidemics, natural phenomena or calamities, acts of public authorities, acts of God, substantial non-availability of services or equipment, substantial breakdown of equipment and accidents provided always that the foregoing incidents are beyond the reasonable control of the Party invoking Force Majeure.

20.3 The affected Party shall give notice to the other Party as soon as possible stating the cause of the failure or delay in performance. Similarly, it shall give notice as soon as normal conditions are restored.

20.4 The Parties shall take all reasonable measures to remove the cause for such failure or delay in performance and to minimize the consequences of any event of Force Majeure.

20.5 Neither Party shall be entitled to make any claim against the other Party for any expenses incurred due to Force Majeure.

20.6 CONTRACTOR shall have the right to terminate this Contract and shall be discharged from all obligations hereunder, specifically including the obligation to perform the minimum work commitments under Section 5.2 and the obligation to pay any deficiency under Section 5.3, if Force Majeure should continue for a period of at least twenty-four (24) consecutive months.

SECTION 21

GOVERNING LAW, JURISDICTION AND INALIENABLE RIGHTS

21.1 This Contract shall be governed by and construed and interpreted in all respects in accordance with the laws of the Republic of the Union of Myanmar.

21.2 Without prejudice to Section 22.2, the Parties hereby agree to submit to the jurisdiction of the relevant Court of Myanmar and all Courts competent to hear appeals there from.

21.3 Subject to Section 8(b) of the State-owned Economic Enterprises Law 1989, no term or provisions of this Contract, including the agreement of the Parties to submit to Arbitration herein, shall prevent or limit the Government of the Republic of the Union of Myanmar from exercising its inalienable rights on its natural resources.

SECTION 22

CONSULTATION AND ARBITRATION

22.1 Periodically, MOGE and CONTRACTOR shall meet to discuss the conduct of the Petroleum Operations envisaged under this Contract and will make every effort to settle amicably any problem arising there from.

22.2 Any and all disputes, controversies, or claims between the Parties or its Affiliates arising out of or relating to this Contract or the performance, breach, termination, or invalidity thereof shall be finally settled under the UNCITRAL Arbitration Rules as at present in force by three (3) arbitrators appointed in accordance with the said rules, one (1) for the MOGE, one (1) for the CONTRACTOR, the third one to be designated in accordance with the said Rules.

22.3 The place of arbitration shall be Singapore with administration by the Singapore International Arbitration Centre ("SIAC") in accordance with its Practice Note on UNCITRAL cases. The language of the arbitration shall be English.

22.4 In rendering an award, the arbitrators shall take account of the laws of the Republic of the Union of Myanmar.

22.5 The arbitral award shall be final and binding on all Parties on the matter under arbitration save in the event of:

i) fraud;

ii) an evident material miscalculation of figures or an evident material mistake in the description of any person, thing or property referred to in the award;

iii) failure of any arbitrator to disclose any relevant interest likely to give rise to justifiable doubts as to his impartiality or independence; or

iv) where the arbitrators have awarded upon a matter not submitted to them, unless it is a matter not affecting the merits of the decision upon the matter submitted.

In which cases the matter shall be settled in accordance with the UNCITRAL Arbitration Rules.

Once final, judgment may be entered on the arbitral award by any court of competent jurisdiction.

Each Party agrees that its rights and obligations under this Contract are of a commercial nature. To the extent that a Party may be entitled to claim for itself or any of its assets immunity (whether sovereign or otherwise), each Party waives any claim to immunity in connection with any effort to enforce or execute any order, judgment, award or other remedy.

22.6 Each Party shall continue fully to perform all of its obligations under this Contract, other than those subject to the dispute submitted to arbitration, during the pendency of the determination.

SECTION 23

BANKING

23.1 CONTRACTOR shall supply CONTRACTOR's share of all funds necessary for Petroleum Operations in Myanmar in freely convertible currency from abroad except to the extent that Myanmar currency is generated in connection with the performance of the Petroleum Operations.

23.2 CONTRACTOR in accordance with the Foreign Investment Law and the Foreign Exchange Management Law of the Republic of the Union of Myanmar existing as of the date hereof, shall open and maintain foreign bank accounts in Myanmar at authorized banks and to receive abroad, remit abroad, retain abroad and use the entirety of the foreign exchange proceeds which are received from export and local sales of its share of Petroleum from the Contract Area or which are in any way generated in connection with the performance of the Petroleum Operations.

23.3 CONTRACTOR shall be entitled to purchase Myanmar currency at authorized banks whenever required for the Petroleum Operations and to convert into freely convertible foreign currency any excess Myanmar currency which is not then needed for local requirements.

23.4 Normal bank commissions and costs of transfers relating to currency conversions or remittances shall be borne by CONTRACTOR and shall be recoverable from Cost Petroleum.

23.5 CONTRACTOR shall be entitled to pay its foreign-controlled contractors and subcontractors and its expatriate employees in foreign currency abroad, and such contractors, subcontractors and expatriate employees shall be entitled to receive and retain such foreign currency abroad.

23.6 The provisions of Sections 23.2, 23.3, 23.4 and 23.5 shall also apply to CONTRACTOR's expatriate employees and CONTRACTOR's foreign controlled contractors, subcontractors and their expatriate employees.

23.7 Unless otherwise expressly agreed, all payments by CONTRACTOR to MOGE or the Government hereunder and all payment by MOGE or the Government to CONTRACTOR hereunder shall be made in U.S. Dollars at a bank in Myanmar or abroad as specified by the recipient.

SECTION 24

INSURANCE

24.1 As to all operations performed by the CONTRACTOR under this Contract, the CONTRACTOR shall secure and maintain insurance in accordance with Foreign Investment Law and rules and procedures relating to the Foreign Investment Law, to the extent that all such insurances are available in the local market. CONTRACTOR, however, may provide such insurance coverage to fulfill the requirements hereunder through the use of any world-wide policy or policies with Certificates of Insurance evidencing such coverage and containing a statement that such insurance shall not be materially changed or canceled without at least thirty (30) days prior written notice.

24.2 The CONTRACTOR shall require that its contractors and subcontractors procure similar insurance to those required to be procured by the CONTRACTOR and such additional insurances as CONTRACTOR shall deem appropriate, all to be evidenced by Certificates of Insurance.

24.3 To eliminate controversy, the expense and inconvenience thereof, as between MOGE and the CONTRACTOR, it is agreed that the insurance policies shall be endorsed so that the underwriters, insurers and insurance carriers of each with respect to this Contract shall not have any right of recovery against either of the Parties hereto or their representatives in any form whatsoever, and the rights of recovery with respect to this operation are mutually waived. All policies of insurance herein provided and obtained or required by either Party shall be suitably endorsed to effectuate this waiver of recovery.

SECTION 25

TERMINATION

25.1 This Contract may be terminated by the CONTRACTOR by giving not less than ninety (90) days written notice to MOGE provided, however, CONTRACTOR may not so terminate this Contract during the Exploration Period or any extension thereof prior to fulfilling the applicable conditions specified in Section 5.

25.2 This Contract shall be terminated in its entirety by MOGE if it is proved that the CONTRACTOR, acting as a company and not including actions of its employees, intentionally and knowingly is involved in political activities detrimental to the Republic of the Union of Myanmar. On such termination, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.3 If the CONTRACTOR is in material breach of any of its obligations under this Contract, MOGE shall give notice to remedy such breach within sixty (60) days. If CONTRACTOR fails to remedy such breach within the said sixty (60) days, MOGE shall have the right to terminate this Contract by delivering a notice of termination to the CONTRACTOR. Once terminated, the unexpended portion of the minimum expenditure as specified in Section 5.3 and all equipment purchased by the CONTRACTOR and brought into Myanmar under Section 16.1 shall pass to MOGE.

25.4 Subject to earlier termination upon notice by CONTRACTOR pursuant to Section 25.1, this Contract shall automatically terminate in its entirety on the later of the occurrence of one of the following events:

a) If there is no Commercial Discovery of Petroleum in the Contract Area during the Exploration Period or extension thereof;

b) At the end of the Development and Production Periods relating to all Development and Production Areas within the Contract Area; or

c) At the end of the Natural Gas/Crude Oil commercialization period or extension provided for in Section 13.3.

SECTION 26

BOOKS AND ACCOUNTS AND AUDITS

26.1 Subject to the requirement of Section 17.2, CONTRACTOR shall be responsible for keeping complete books and accounts with the assistance of MOGE reflecting all Petroleum Costs as well as monies received from the sale of Petroleum, consistent with international petroleum industry practices and proceedings as described in Annexure "C" attached hereto. Should there be any inconsistency between the provisions of this Contract, and the provisions of Annexure "C", then the provisions of the Contract shall prevail.

26.2 MOGE and the Government shall have the right to inspect and audit CONTRACTOR's books and accounts relating to this Contract for any Financial Year covered by this Contract following the end of the Financial Year. Any exception must be made in writing within sixty (60) days following the completion of such audit. Such audit shall be performed within two Financial Years after the closing of the related Financial Year.

SECTION 27
GENERAL PROVISIONS

27.1 Notices

a) Notices and other communications required or permitted to be given under this Contract shall be deemed given when delivered and received in writing either by hand or through the mail, or facsimile, appropriately addressed as follows:

to MOGE:

i) By hand or mail: MYANMA OIL AND GAS ENTERPRISE
BUILDING NUMBER 44, NAY PYI TAW,
REPUBLIC OF THE UNION OF MYANMAR.

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: +95 67 411125

to CONTRACTOR PARTIES:

ENI MYANMAR B.V.

i) By hand or mail: WTC-Tower B, Strawinskylaan 1725
1077 XX Amsterdam, The Netherlands

ATTENTION: MANAGING DIRECTOR

ii) By Facsimile: +31 20 570 7170

PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

i) By hand or mail: 26th Floor, Charvit Tower,
117 Tran Duy Hung St., Cau Giay Dist.
Hanoi, S.R. Vietnam

ATTENTION: VICE PRESIDNET & COO

ii) By Facsimile: +84 4 37 726 027

b) any notice given by hand delivery or registered mail shall be deemed given at the time of delivery and any notice given by facsimile shall be deemed to be given at the time transmission has been confirmed provided however, where the time of transmission falls outside the normal business hours of the recipient, delivery shall be deemed to be given at 09:00 hours (recipient's local time) on the next following business day at the location of the receipt.

c) MOGE and CONTRACTOR may change its address or addresses by giving notice of the change to each other.

27.2 Language of Text

This Contract is made and entered into in the English Language.

27.3 Effectiveness

This Contract and shall be legally binding on and from the Effective Date.

27.4 Covenants Against Undue Influence

The Parties agree that they will comply with applicable anti-corruption laws of the Republic of the Union of Myanmar.

27.5 Secrecy

a) Contractor undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations in the Republic of the Union of Myanmar. The CONTRACTOR understands fully that this undertaking and obligation is a continuing one which will be binding also on its successors, legal representatives and permitted assigns, until such time when MOGE agrees in writing to release CONTRACTOR from its undertakings and obligations. CONTRACTOR may disclose data and information to government authorities if required by law and, in order to facilitate the conduct of the Petroleum Operations may also disclose data and information to affiliates, its contractors, consultants and bone fide prospective assignees provided that the CONTRACTOR obtains an undertaking by the recipient to maintain such data in strictest secrecy and confidence.

b) MOGE may use at its own discretion all the data and information obtained during the course of operations in the Republic of the Union of Myanmar but shall undertake to maintain such data and information in strictest secrecy and confidence during the term of this Contract.

27.6 Change of Conditions

In the event that any situation or condition arises due to circumstances not envisaged in the Contract that warrants amendments to the Contract the Parties shall negotiate and make the necessary amendments.

27.7 Stabilization

If a material change occurs to CONTRACTOR's economic benefits after the Commencement of the Operation Date of the Contract due to the promulgation of new laws decrees, rules and regulations, any amendment to the applicable laws, decrees, rules and regulations or any reinterpretation of any of the foregoing made by the Government, the Parties shall consult promptly and make all necessary revisions or adjustment to the relevant provisions of the Contract in order to maintain CONTRACTOR's normal economic benefit hereunder.

27.8 Entire Agreement

This Contract supersedes all prior understandings and agreements of the Parties and may not be modified by any means except by written instrument signed by both Parties. The Contract is to be read, interpreted and enforced as a single, indivisible fully integrated agreement representing the entire expression of the Parties in writing with respect to the subject matters therein contained.

IN WITNESS WHEREOF, this Contract has been executed by a duly authorized signatory of each respective Party named below at Nay Pyi Taw, the Republic of the Union of Myanmar as of the day and year first above mentioned.

Signed, sealed and delivered
for and on behalf of

MYANMA OIL AND GAS ENTERPRISE

U MYO MYINT OO
MANAGING DIRECTOR

Signed, sealed and delivered
for and on behalf of

ENI MYANMAR B.V.

NAME
TITLE

Signed, sealed and delivered
for and on behalf of
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

NAME
TITLE

WITNESS

U PE ZIN TUN
DIRECTOR GENERAL
ENERGY PLANNING DEPARTMENT

NAME
TITLE
ENI MYANMAR B.V.

NAME
TITLE
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

ANNEXURE "A" DESCRIPTION OF CONTRACT AREA

This Annexure "A" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015

DESCRIPTION OF CONTRACT AREA

TANINTHARYI AREA OFFSHORE DEEP WATER BLOCK MD-4

BLOCK MD-4 COORDINATES

POINTS NO.	LATITUDE (N)	LONGITUDE (E)
A	13^0 00' 00"	95^0 38' 00"
B	13^0 00' 00"	96^0 19' 00"
C	12^0 19' 00"	96^0 19' 00"
D	12^0 19' 00."	95^0 31' 00"
E	12^0 54' 07"	95^0 42' 00"
A	13^0 00' 00"	95^0 38' 00"

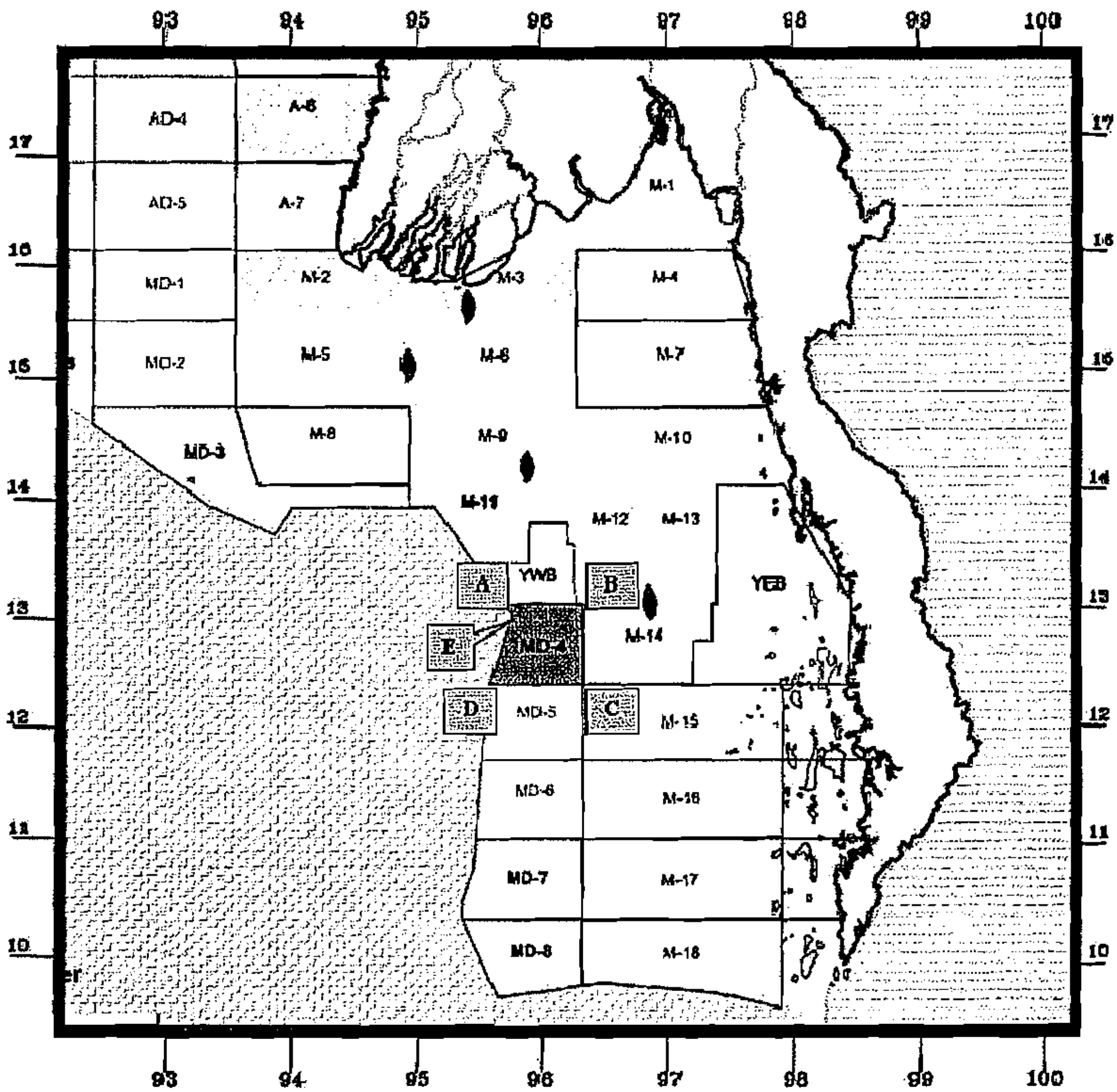
Area of Block "MD-4" = 2,278 Sq. Miles.

ANNEXURE "B" MAP OF CONTRACT AREA

This Annexure "B" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

MAP OF CONTRACT AREA



ANNEXURE "C" ACCOUNTING PROCEDURE

This Annexure "C" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

ACCOUNTING PROCEDURE

ARTICLE 1- GENERAL PROVISIONS

This Accounting Procedure applies to and shall be observed in the establishment, keeping and control of all accounts, books and records of accounts under the Contract.

The Contract and this Accounting Procedure are intended to be correlative and mutually explanatory. Should however any discrepancy arise, then the provisions of the Contract shall prevail.

The Parties agree that if any procedure established herein proves unfair or inequitable to any Party, the Parties shall meet and endeavor to agree on the changes necessary to correct that unfairness or inequity.

For the purpose of the present Accounting Procedure, the term "CONTRACTOR" shall also include CONTRACTOR's Affiliates as may be necessary according to the context.

1.1 Definitions

1.1.1 The terms used in the Accounting Procedure have the same meanings as set out for the same terms in the Contract and otherwise in accordance with the provisions of the Contract.

1.1.2 "Capital Expenditures" means expenditures incurred for the purchase of tangible physical assets which by generally accepted international accounting principles of the international petroleum industry are classified as capital and the costs of which is amortizable. Such assets include but are not limited to:

- drilling and well equipment including wellheads, casing, pipe, flow lines and pumps;
- gathering systems including pipe, field storage, and crude oil separation and treatment plants and equipment;
- pipelines for the transportation of Petroleum to the point of export, sale or delivery;
- storage tanks and loading facilities at the point of export, sale or delivery; and
- any other plant, equipment or fixture in the Republic of the Union of Myanmar reasonably necessary to carry out Petroleum Operations.

1.1.3 "Controllable Material" means Material which the CONTRACTOR subjects to record control and inventory in accordance with good international petroleum industry practice.

1.1.4 "Material" means any equipment, machinery, materials, articles, supplies and consumable either purchased, or leased, or rented or transferred by CONTRACTOR and used in the Petroleum Operations.

1.2 Books and Record

Books and records of accounts will be kept in accordance with a generally accepted and recognized accounting system consistent with modern petroleum industry practices and procedures and in English language and U.S. Dollars, supplemented and supported by such books, records or entries in other currencies as may be necessary for completeness and clarity and to implement the Contract in accordance with its terms.

1.3 Currency Exchange

Any costs incurred or proceeds received, in currency other than U.S. Dollars including the currency of the Republic of the Union of Myanmar shall be converted into U.S. Dollars computed at the prevailing rate of exchange on the day on which the costs were paid or the proceeds were received.

1.4 Independent Auditor

The CONTRACTOR shall in consultation with MOGE, appoint an independent auditor of international standing, to audit annually the accounts and records of Petroleum Operations and report thereon, and the cost of such audit and report shall be promptly delivered to the MOGE and shall be chargeable under the CONTRACT.

ARTICLE 2 - PETROLEUM COSTS

2.1 The parties shall maintain a "Petroleum Costs Account" in which there shall be reflected all Petroleum Costs incurred in connection with the Petroleum Operations carried out under the provisions of the Contract.

Such Petroleum Costs shall be recoverable by the CONTRACTOR in accordance with the provisions of the Contract and as further set out below. Without limiting the generality of the foregoing, the costs and expenditures considered in 2.2 to 2.12 hereafter are included in Petroleum Costs.

Petroleum Costs shall be recoverable in following manner:

a) Operating Costs, including all tangible drilling costs, with the exception of the Capital Expenditure, incurred in respect of the Contract Area, shall be recoverable either in the Financial Year in which these Operating Costs are incurred or the Financial Year in which commercial production occurs, whichever is the later.

b) Exploration and Appraisal Expenditures, incurred in respect of the Contract Area, shall be recoverable in the Financial Year in which commercial production occurs.

c) Capital Expenditures incurred in respect of each Development Area shall be recoverable at a rate of twenty five percent (25%) per annum based on amortization at that rate starting either in the Financial Year in which such Capital expenditures are incurred or the Financial Year in which commercial production from that Development and Production Area commences, whichever is the later.

d) Capital Expenditures, including but not limited to expenditure for aircraft, camps, offices, warehouses, vehicles, workshops, power plants, tools, and equipment, incurred outside of a Development and Production Area, shall be recoverable at a rate of twenty-five (25%) per annum, based on amortization at that rate starting either in the Financial Year in which such Capital Expenditures are incurred or the Financial Year in which commercial production from any Development and Production Area commences, whichever is the later, and shall be recoverable from any Development and Production Area(s).

e) Accrual of estimated abandonment costs shall be recoverable from the Financial Year in which commercial production from each Development and Production Area commences.

2.2 Labour and related costs

2.2.1 CONTRACTOR's locally recruited employees based in the Republic of the Union of Myanmar.

The actual cost of all CONTRACTOR's locally recruited employees who are directly engaged in the conduct of Petroleum Operations in the Republic of the Union of Myanmar. Such costs shall include the costs of employee benefits and Government benefits for employees and taxes and other charges levied on the CONTRACTOR as an employer, transportation and relocation costs within the Republic of the Union of Myanmar and costs of the employee and such employee's family (limited to spouse and dependent children), as statutory or customary for the CONTRACTOR.

2.2.2 Assigned personnel

The cost of the personnel of CONTRACTOR and its Affiliates resident in and working in the Republic of the Union of Myanmar for the Petroleum Operations under this Contract.

The cost of these personnel shall be the CONTRACTOR's actual cost according to CONTRACTOR's practice.

Actual cost includes, but is not limited to, free furnished accommodation in the Republic of the Union of Myanmar, medical and dental treatment

of the employee and immediate family, local schooling expenses and any other local employment cost paid by the CONTRACTOR.

2.2.3 Personnel of the CONTRACTOR and its Affiliates based outside the Republic of the Union of Myanmar working for the Petroleum Operations on a time sheet basis under this Contract.

Such personnel shall be charged at rates which represent the CONTRACTOR and its Affiliates actual cost under this Contract. These rates include all costs incidental to the employment of such personnel, but do not include transportation and living expenses they may incur for the performance of such work. In case the work is performed outside CONTRACTOR and its Affiliates home country, the hourly rate will be charged from the date such personnel leave the town where they usually work in CONTRACTOR and its Affiliates home country through their return thereto, including days which are not working days in the country where the work is performed, and excluding any holiday entitlement derived by the employees from his employment in CONTRACTOR and its Affiliates home country. No charge will be made for overtime.

As early as possible in each Financial Year, the CONTRACTOR shall advise these hourly rates for each subsequent Year. They may be subject to revision from time to time at the CONTRACTOR's initiative.

2.2.4 Other personnel

Personnel working for the Petroleum Operations under this Contract outside the Republic of the Union of Myanmar for the CONTRACTOR and its Affiliates who are not on a time sheet basis shall be deemed compensated as per the administrative overheads set forth in subpart 2.11 below.

2.2.5 Provisions common to Subpart 2.2.2 and 2.2.3

Subpart 2.2.2 and 2.2.3 above have been agreed upon considering the present structure of the CONTRACTOR. Should the CONTRACTOR be charged, or should the CONTRACTOR change their present structure or organization, these subparts shall be revised accordingly.

2.2.6 Employees training expenses

Training expenses for the CONTRACTOR's employees resident in the Republic of the Union of Myanmar and the CONTRACTOR's contribution to training under Section 15 of the Contract.

2.3 Material

2.3.1 The cost of Material shall be charged to the Petroleum Costs Account on the basis set forth below.

The CONTRACTOR does not guarantee the Material. The only guarantees are the guarantees given by the manufactures or the vendors, as long as, they are in force.

2.3.1.1 Except as otherwise provided in Subpart 2.3.1.2 below, Material shall be charged at the actual net cost incurred by the CONTRACTOR. Net cost shall include, but shall not be limited to such items as the vendor's invoice price, packaging, transportation, loading and unloading expenses, insurance costs, duties, fees and applicable taxes less discounts actually received.

2.3.1.2 Material shall be charged at the price specified herein below:

a) New Material (Condition "A") shall be valued at the current international net cost which shall not exceed the price prevailing in normal arm's length transaction on the open market:

b) Used material (Condition "B", "C" and "D" and junk Material)

i) Material which is sound and serviceable condition and is suitable for reuse without reconditioning shall be classified as Condition "B" and priced at seventy-five (75%) of the current price of new Material defined in a) above;

ii) Material which cannot be classified as Condition "B" but which after reconditioning will be serviceable for its original function shall be classified as Condition "C" and price at fifty percent (50%) of the current price of new Material as defined in a) above. The cost of reconditioning shall be charged to the reconditioned Material provided that the value of the Condition "C" Material plus the cost of reconditioning do not exceed the value of Condition "B" Material;

iii) Material which has a value and which cannot be classified as Condition "B" or Condition "C" shall be classified as Condition "D" and priced at value commensurate with its use.

iv) Material which is usable and which cannot be classified as Condition "B" or Condition "C" or Condition "D" shall be classified as junk and shall be considered as having no value.

2.3.2 Inventories

At reasonable intervals, inventories shall be taken by the CONTRACTOR of all controllable Material. The CONTRACTOR shall

give sixty (60) days written notice of intention to take such inventories to allow the MOGE to choose whether to be represented (in which case the MOGE shall elect to accept the inventory taken by the CONTRACTOR).

2.4 Transportation and employee relocation costs

2.4.1 Transportation of Material and other related costs, including but not limited to origin services, expediting, crating, dock charges, forwarder's charges, surface and air freight, and customs clearance and other destination services.

2.4.2 Transportation of employees as required in the conduct of Petroleum Operations, including employees of the CONTRACTOR's whose salaries and wages are chargeable under subparts 2.2.2 and 2.2.3 of this Accounting Procedure.

2.4.3 Relocation costs for employees permanently of temporarily assigned to Petroleum Operations. Relocation costs from the vicinity of Petroleum Operations, except when an employee is reassigned to another location classified as a foreign location by the CONTRACTOR. Such costs include transportation of employee's families and their personal and household effects and all other relocation costs in accordance with the usual practice of the CONTRACTOR.

2.5 Services

2.5.1 The actual costs of contract services, professional consultants and other services performed by third parties.

2.5.2 Costs of use of facilities and equipment for the direct benefit of the Petroleum Operations, furnished by the CONTRACTOR, or third parties, at rates commensurate with the cost of ownership, or rental, and the cost of operation thereof, but such rates shall not exceed those currently prevailing in normal arm's length transactions on the open market for like services and equipment.

2.6 Damages and losses to material and facilities

All costs or expenses necessary for the repair or replacement of Material and facilities resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The CONTRACTOR shall furnish to the MOGE written notice of damages or losses for each occurrence or loss involving more than U.S. Dollars One Hundred Thousand (US$ 100,000) after the loss occurrence or as soon as practicable.

2.7 Insurance Claims

2.7.1 Premiums paid for insurance to cover the risks related to Petroleum Operations according to the CONTRACTOR's practice.

2.7.2 Actual expenditure incurred in the settlement of all losses, claims, damages, judgments, and other expenses (including legal expenses as set out below) for the benefit of the Petroleum Operations.

2.8 Legal Expenses

All costs or expenses of litigation or legal services otherwise necessary or expedient including but not limited to legal counsel's fees, arbitration costs, court costs, cost of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims. These services may be performed by the CONTRACTOR's legal staff and/or an outside firm as necessary.

2.9 Charges and fees

i) All charges and fees which have been paid by the CONTRACTOR with respect to the Contract.

ii) All financing interests for the Capital Expenditures incurred during the Development Period of which interest rate shall be decided according to market prevailing rate at that time applicable to Myanmar or to be arranged by CONTRACTOR.

2.10 Offices, camps and miscellaneous facilities

Cost of establishing, maintaining and operating any offices, sub-offices, camps, warehouses, housing and other facilities such as recreational facilities for employees. If these facilities serve more than one (1) contract area the costs thereof shall be allocated on an equitable basis.

2.11 General and administrative expenses

2.11.1 The services for all personnel of the CONTRACTOR as per subpart 2.2.4 as well as the contribution of the CONTRACTOR's to the Petroleum Operations of an intangible nature shall be deemed compensated by an annual overhead charge based on a sliding scale percentage.

2.11.2 The basis for applying this overhead charge shall be the total Petroleum Costs incurred during each Financial Year or fraction thereof.

The sliding scale percentage shall be the following: -

For the first U.S. Dollars Five Million:	4%
For the next U.S. Dollars Three Million:	2%
For the next U.S. Dollars Four Million:	1%
Over U.S. Dollars Twelve Million:	0.5%

2.12 Other Expenditures

Any reasonable expenditure not covered or dealt with in the foregoing provisions which are incurred by the CONTRACTOR for the necessary and proper performance of the Petroleum Operations and the carrying out its obligations under the Contract or related thereto.

2.13 Credits under the contract

The net proceeds of the following transactions will be credited to the accounts under the Contract.

a) the net proceeds of any insurance or claim in connection with the Petroleum Operations or any assets charged to the accounts under the Contract.

b) revenue received from outsiders for the use of property or assets charged to the accounts under the Contract which have become surplus to Petroleum Operations and have been released to mitigate losses;

c) any adjustment received by CONTRACTOR from the suppliers/manufacturers or their agents in connections with defective equipment or material the cost of which was previously charged by the CONTRACTOR under the Contract;

d) rentals, refunds or other credits received by the CONTRACTOR which apply to any charge which has been made to the accounts under the Contract;

e) proceeds from all sales of surplus Materials charges to the account under the Contract, at the net amount actually collected.

2.14 No duplication of charges and credits

Notwithstanding any provision to the contrary in this Accounting Procedure, it is the intention that there shall be no duplication of charges or credits in the accounts under the Contract.

ARTICLE 3 - FINANCIAL REPORTS TO THE MOGE

3.1 The reporting obligations provided for in this Part shall apply to the CONTRACTOR and shall be in the manner indicated hereunder.

3.2 The CONTRACTOR shall submit to MOGE within thirty (30) days of the end of each Quarter:

3.2.1 A report of expenditure and receipts under the Contract analyzed by budget item showing:

a) actual expenditure and receipts for the Quarter in question;

b) actual cumulative expenditure to date;

c) latest forecast of cumulative expenditure at Year end; and

d) variances between budget, and actual expenditure and explanations thereto.

3.2.2 A cost recovery statement containing the following information:

a) recoverable Petroleum Costs brought forward from the previous Quarter, if any;

b) recoverable Petroleum Costs incurred during the Quarter;

c) total recoverable Petroleum Costs for the Quarter, i.e a) plus b) above;

d) quantity and value of Cost Petroleum taken and separately disposed of by the CONTRACTOR for the Quarter;

e) amount of Petroleum recovered for the Quarter; and

f) amount of recoverable Petroleum Costs to be carried forward into the next Quarter, if any.

3.3 After the commencement of production the CONTRACTOR shall, within thirty (30) days after the end of each month, submit a production report to the MOGE showing for each Development and Production Area the quantity of Petroleum:

a) held in stocks at the beginning of the month

b) produced during the month

c) lifted, and by whom;

d) lost and consumed in Petroleum Operations, and

e) held in stocks at the end of the month.

3.4 A lifting Party shall submit, within thirty (30) days after the end of month, a report to the MOGE stating the quantities and sales value of each Petroleum sales made in that month.

ANNEXURE "D" PARENT COMPANY GUARANTEE

This Annexure "D" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. ("CONTRACTOR") as stated and referred to in Section 5.4 of this Contract.

LETTER OF PARENT COMPANY GUARANTEE

Date: , 2015.

We hereby absolutely and unconditionally guarantee to the Myanma Oil and Gas Enterprise, Ministry of Energy, the Government of the Republic of the Union of Myanmar that the CONTRACTOR is financially sound and technically competent and shall perform the tasks such as funding necessary capital, assets and supplying machinery, equipment, tools, technicians, specialists and discharge of expenditure obligations undertaken by it through the Tanintharyi Area Offshore Deep Water Block MD-4 Production Sharing Contract, for the exploration, extraction and development work of the Tanintharyi Area Offshore Deep Water Block MD-4 and we irrevocably undertake that if the CONTRACTOR fails to perform its minimum expenditures commitments under Section 5.2, we shall, following receipt of a demand from the Myanma Oil and Gas Enterprise, incur such expenditure to ensure that the minimum expenditure commitment are met.

Notwithstanding anything to the contrary contained or implied herein, our liability under this guarantee shall not exceed an amount equal to Ninety (90) percent of the aggregate value of its minimum expenditure commitment expressly provided for under Section 5.2 less Ninety (90) percent of the expenditure already incurred by the CONTRACTOR with respect to its minimum expenditure commitment..

This guarantee shall be effective from the date of signing of the Production Sharing Contract and shall remain in force to the successive limited periods and up to the last exploration period if extended by the consent of the contracting parties in accordance with Section 5.2 (a) to (g) and 5.3 of this Contract.

For and on behalf of

____

ANNEXURE "E" MANAGEMENT PROCEDURE

This Annexure "E" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

MANAGEMENT PROCEDURE

1. MOGE retains by this Contract all rights of management but recognizes that CONTRACTOR is responsible for the execution of the Work Programme. To obtain the benefits of mutual co-operation and to co-ordinate their efforts under the Contract, a "Management Committee" shall be established consisting of four (4) representatives appointed by MOGE, one whom shall act as Chairman of the Management Committee and three (3) representatives appointed by CONTRACTOR.

2. The initial appointment of representatives to the Management Committee shall be made by MOGE and by CONTRACTOR, by notice given to the other within thirty (30) days from the Commencement of the Operation Date, advising the names of their respective representatives and such appointments may be changed thereafter from time to time by similar notice from the changing Party to the other.

3. All decisions required to be taken by the Management Committee shall be taken by the unanimous vote of the representatives present at the meeting, it being understood that no such decisions shall be valid unless at least one representative of MOGE and one representative of the CONTRACTOR is present at the meeting. Decisions taken by the Management Committee shall be recorded in minutes signed on behalf of both MOGE and CONTRACTOR and shall be binding on the Parties hereto.

4. The Management Committee shall meet whenever required by MOGE or by CONTRACTOR, subject to 15 days prior notice to its members which notice shall include the agenda for the meeting.

5. The Management Committee shall have the following functions and responsibilities under this Contract.

   a) To provide the opportunity for and to encourage the exchange of information, views, ideas and suggestions regarding plans, performances and results obtained under the Contract.

   b) To review and approve Work Programmes and Budgets proposed by CONTRACTOR, taking into consideration any revisions thereto proposed by MOGE and further revision by both Parties.

   c) To co-ordinate on all technical, financial, administrative and policy matters of interest to both Parties.

d) In case of Discovery of Petroleum to review and approve any proposal for the appraisal and development of such discovery.

e) To consider and act upon recommendations made to the Management Committee by its sub-committees.

f) To co-operate towards implementation of the Contract in accordance with its terms.

6. To facilitate the discharge of its functions, the Management Committee shall appoint sub-committees composed of representatives of both MOGE and the CONTRACTOR such as but not limited to:

a) Technical Sub-committee to review and consult upon Work Programme and any variation thereof, to supervise all safety procedures to be used in the conduct of Petroleum Operations, to advise the Parties on the progress of the current Work Programme pertaining to exploration, development and production and to perform any other task that the Parties may describe by common agreement.

b) Procurement Sub-committee to review and recommend the international tender being applied for purchase of equipment and the selection of sub-contractors and supplies of services for Petroleum Operations hereunder.

c) Accounting Sub-committee to review the incomes and expenditures related to Petroleum Operations in accordance with this Contract and any questions arising thereto.

d) Petroleum Valuation Sub-committee to set the value, the International Market Price FOB Myanmar per barrel of Crude Oil for purpose of Cost Recovery and division of net sales proceeds. The valuation shall be based upon inquiries made by MOGE and CONTRACTOR internationally for the specific type of quality of Crude Oil such as API gravity, sulphur content, viscosity, pour point, etc. The valuation of Natural Gas will be determined at Delivery Point to gas buyer.

ANNEXURE "F" MEMORANDUM ON PARTICIPATION

This Annexure "F" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

Dated: , 2015.

MEMORANDUM ON PARTICIPATION

The Draft Operating Agreement between CONTRACTOR and MOGE referred to in Section 19.3 shall embody, inter alia, the following main principles:

1. CONTRACTOR shall be the sole Operator of the venture under properly defined rights and obligations.

2. Authorized representatives of both Parties shall meet periodically for the purpose of conducting the venture's operations. All decisions shall be taken by majority vote except in case of terminating the main Contract which decision shall require the unanimous consent of both Parties. However if either of the Parties wishes to withdraw from the venture it shall transfer without cost its undivided interest to the other Party.

3. Both Parties shall have the obligation to provide or cause to be provided their respective proportion of such finance and in such currencies as may be required from time to time by the Operator for the operations envisaged under the main Contract. The effect of a Party's failure to meet calls for funds within the prescribed time limits shall be provided.

4. The Operator shall prepare the annual Work Programme and Budgets which shall be submitted to the authorized representative of both Parties for decision prior to their submission to MOGE in accordance with the provisions of the main Contract.

5. In respect of any exploratory drilling operation other than exploratory drilling operations required, or which may serve, to fulfill the minimum work obligations, defined in Section 5 of the Contract , a "Sole Risk" provision shall be made which assure either Party that it does not have to participate in such operation if it were to disagree to the inclusion of such operation in the Work Programme and Budget and which in case of success adequately compensates the Sole Risk Party for the cost and risk incurred by the latter.

6. Subject to adequate lifting tolerances each Party shall offtake at CONTRACTOR's point of export its production entitlement. However, if MOGE is not in a position to market such quantity wholly or partly it shall in respect of the quantity which it cannot market itself have the option under an adequate notification procedure; either to require CONTRACTOR to purchase that quantity, or to lift that quantity at a later date under an adequate procedure within the period of time defined in such related procedures.

7. If Natural Gas (associated gas and non-associated gas) is encountered in commercial quantities, special provisions shall be drawn having due regard inter alia, to the long term character of Natural Gas Supply Contracts.

ANNEXURE "G"

This Annexure "G" is attached to and made an integral part of the Contract between MYANMA OIL AND GAS ENTERPRISE and ENI MYANMAR B.V. and PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD. as stated and referred to in Section 5.4 of this Contract.

Dated: 2015.

PERFORMANCE BANK GUARANTEE

[SEAL]

Letter of Guarantee No.
………………..

Dear Sirs,

By order of …………………… Bank, and for account of ………………… we hereby issue a guarantee under their counter guarantee No…………dated ………. for Euro / US$ ……….. (Euro/US$ …………………….. only) as follows;-

WHEREAS THE **MYANMA OIL AND GAS ENTERPRISE**, NAY PYI TAW, MYANMAR (HEREINAFTER CALLED THE MOGE) HAS ENTERED INTO A PRODUCTION SHARING CONTRACT WITH ……….. (HEREINAFTER CALLED THE CONTRACTOR) ON ………… FOR THE PETROLEUM OPERATIONS OF……. IN 3/BLOCK NO. ……………. DATED ……………… (HEREINAFTER CALLED THE PSC) AND IN THE EVENT, ……………THE CONTRACTOR BECOMES LIABLE TO MOGE ANY SUM OR SUMS OF MONEY DUE TO THE FAILURE OF THE CONTRACTOR TO EXECUTE AND PERFORM. ITS MINIMUM EXPENDITURE COMMITMENT FOR IN THE PSC, 1/ WE HEREBY IRREVOCABLY AND UNCONDITIONALLY GUARANTEE TO PAY MOGE WITHIN (10) WORKING DAYS THE AMOUNT EQUAL TO TEN (10) PERCENT OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC CLAIMED BY MOGE, 2/ **ON YOUR FIRST WRITTEN DEMAND ACCOMPANIED BY YOUR WRITTEN DECLARATION** THAT THE CONTRACTOR HAS 3/ **FAILED TO EXECUTE AND PERFORM ANY OF THE OBLIGATIONS** UNDER THE TERMS AND CONDITIONS OF THE AFORESAID CONTRACT.

1/ The Obligation of Guarantee
2/ Condition of Beneficiary's Demand
3/ Guarantee Amount, Contract No., Expiry, Condition of Beneficiary's Demand if failed to comply with contract terms

OUR LIABILITY HEREUNDER IS NOT TO EXECEED IN THE AGGREGATE THE SUM OF 3/ EURO/US$ ..../- (....................................... ONLY) BEING THE TEN PERCENT (10 PERCENT) OF THE AGGREGATE VALUE OF ITS MINIMUM EXPENDITURE COMMITMENT OF INITIAL EXPLORATION PERIOD UNDER SECTION 5.2 OF PSC. A DEMAND FOR REFUND AMOUNT SHALL BE MADE IN WRITING AND SUBSTANTIATED WITH RESPECTIVE DOCUMENTS.

THIS PERFORMANCE BANK GUARANTEE ISSUE IN THE FORM OF BANK GUARANTEE BY US. ON THE ACCOUNT OF THE CONTRACTOR, SHALL BE EXPIRED THREE (3) YEARS FROM THE DATE OF ISSUE OF THIS 3/ PERFORMANCE GUARANTEE.

ALL CLAIMS UNDER THIS GUARANTEE MUST BE RECEIVED BY US IN MYANMAR ON OR BEFORE THE EXPIRY DATE, AFTER WHICH THIS GUARANTEE SHALL BE VOID AND NO CLAIM FOR PAYMENT SHALL BE PERMITTED OR ENTERED BY US NOTWITHSTANDING THAT THIS GUARANTEE MAY NOT HAVE BEEN RETURNED TO US FOR CANCELLATION.

THIS GUARANTEE IS NOT TRANSFERABLE OR ASSIGNABLE.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SINGAPORE. BY ACCEPTANCE HEREOF, YOU IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE SINGAPORE COURTS.

Our liability under this Guarantee is limited to the sum of EURO/US$ .... /- (EURO/$ ....only) and any claim hereunder must be submitted in writing to this office, during normal banking hours, within the validity of this guarantee.

This guarantee must be returned to us for cancellation as soon as it expires.

Yours faithfully,

COUNTERSIGNED ANY STATE OWNED BANKS IN MYANMAR

MANAGER
FINANCING & GUARANTEE DEPT

ASSISTANT MANAGER
GUARANTEE DEPT

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၂) / ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ ဇူလိုင်လ ၂၁ ရက်

၅၁(က)
၂၂/၇
(၁၂:၄၅)

2217

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ကိစ္စ

ရည် ညွှန်း ချက်။ ယင်း၏ ၈-၇-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၁၂ /၃၂၂ / ထ(၅၇၇ / ၂၀၁၄)

ကမ်းလွန်လုပ်ကွက် ၂၀ တွင် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ပထမအကြိမ် ကမ်းလွန်လုပ်ကွက်များအတွက် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုထားသော Selected Candidates ကုမ္ပဏီများအား ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် ချုပ်ဆိုခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းနှင့်စပ်လျဉ်း၍ ခွင့်ပြုပါသဖြင့် လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်ရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

နောက်ဆက်တွဲ(စ)

၃၅
၁၆/၁၁
(၁၃:၀၀)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

ပြည်ထောင်စုရှေ့နေချုပ်ရုံး

နေပြည်တော်

စွမ်းအင်စီမံရေးဦးစီးဌာန
Energy Planning Department
စာအမှတ် ၁၁
ရက်စွဲ ၁၀.၁၁.၁၄

စာအမှတ်၊ ၂ (၅) ၈ - ၂၁၄ /နပတ(၉၇၄)

ရက်စွဲ ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၁၇ ရက်

အကြောင်းအရာ။ တနင်္သာရီ ကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-4 နှင့် မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2 တို့တွင်ရေနံနှင့် သဘာဝ ဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန်အတွက်ချုပ်ဆိုမည့် Production Sharing Contract (မူကြမ်း) ၂ ရပ်အပေါ် သဘောထားမှတ်ချက်ပေးပါရန်ကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၂-၁၀-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၁၉ /ထ (၈၇၂ /၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၏ကမ်းလွန်လုပ်ကွက်များဖြစ်သော တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-4 နှင့် မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်းများဆောင်ရွက်ရန် အတွက် Eni Myanmar B.V (Eni) နှင့် Petrovietnam Production Corporation Exploration Ltd (PVEP) တို့နှင့် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE)တို့အကြား ချုပ်ဆို ဆောင်ရွက်မည့် Production Sharing Contract for the Exploration and Production of Petroleum (PSC)(မူကြမ်း) ၂ ရပ် အပေါ် သဘောထားမှတ်ချက်ပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် မေတ္တာရပ်ခံလာသော ကိစ္စ ဖြစ်ပါသည်။

၂။ ပေးပို့လာသော စာချုပ်(မူကြမ်း) ၂ ရပ်တွင် လုပ်ကွက်တည်နေရာများကွဲပြားခြားနားသော်လည်း လုပ်ငန်းဆောင်ရွက်မည့်ကုမ္ပဏီများမှာတူညီပြီး စာချုပ်ပုံစံများမှာလည်း အချို့အချက်များမှလွဲ၍ပုံစံတစ်မျိုး တည်းရေးသားပြုစုထားသဖြင့် တစ်ပေါင်းတည်းစိစစ်အကြံပြုထားပါသည်။

၃။ ပူးတွဲပေးပို့လာသော စာချုပ်(မူကြမ်း)များကို ဥပဒေရှုထောင့်မှ လေ့လာစိစစ်ပြီး အောက်ပါအတိုင်း သုံးသပ်အကြံပြုအပ်ပါသည် -

(က) စာချုပ်(မူကြမ်း)များပါ စာပိုဒ်များ၌ ရည်ညွှန်းထားသော Section များနှင့် စာမျက်နှာမှန်ကန်မှုရှိစေရန် ဌာနမှ ပြန်လည်စိစစ်ရန်လိုအပ်ပါသည်၊

(ခ) စာချုပ်(မူကြမ်း)များ စာချုပ်ဝင်များစာပိုဒ်အောက်တွင် ဖော်ပြထားသော "စာချုပ်ဝင်များသည် တစ်ဦးချင်းသော်လည်းကောင်း၊ ပူးတွဲ၍သော်လည်းကောင်း တာဝန်ရှိကြောင်းစာပိုဒ်ကို Section 17.2 Contractor ၏ Obligations တွင် စည်းကမ်းချက်တစ်ရပ်အဖြစ် ထည့်သွင်းသင့်ပါသည်၊

(ဂ) စာချုပ်(မူကြမ်း)များ Section 1 Definitions၊ အပိုဒ် 1. 21 Development and Production Operations နှင့် 1.28 Exploration Operations တို့၏ အဓိပ္ပာယ်ဖွင့်ဆိုချက်၌ "within or outside the Contract Area" ဟုလည်းကောင်း၊ အပိုဒ် 8 Development and Production ၊ အပိုဒ်ခွဲ 8.3 (b) ၌ Development Plan ထဲတွင် Contract Area အတွင်းသာမက Contract Area ပြင်ပ (----within and outside of the Contract Area)ပါ ပါဝင်သည်ဟုလည်းကောင်း ဖော်ပြထားသည်ကိုတွေ့ရှိရပါသည်။ Development Plan, Production Exploration သည် Annexure A နှင့် B တွင်ဖော်ပြထားသော Contract Area အတွင်း၌သာဆောင်ရွက်ရမည်

ဖြစ်ပါသော ကြောင့် "outside of the Contract Area"ဟူသော စာသားကို ပယ်ဖျက် သင့်သည်ဟုယူဆပါသည်၊

(ဃ) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 3.4တွင် Study Period ပြီးဆုံးသည့်အချိန်တွင် Exploration Operations ကိုဆက်လက်ဆောင်ရွက်ခြင်းမပြုရန် Contractor က ဆုံးဖြတ်ပါက ဌာနသို့ Study Period မပြီးမီ(၁၅)ရက် ကြိုတင်အကြောင်းကြား စာရေးသားပေးပို့ပြီး Contractor ဘက်မှစာချုပ်အားရပ်စဲနိုင်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(င) MD-2 လုပ်ကွက်၏ စာချုပ်(မူကြမ်း) အပိုဒ် 2.4 နှင့် အပိုဒ် 11.1 တို့တွင် Contractor သည် ကနဦး တူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်သည့်နေ့မှ ရက်ပေါင်း (၃၀) အတွင်း Signature Bonus ပေးမည်ဖြစ်ကြောင်းဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး ၂ နှစ်အတွင်း ဆောင်ရွက်ရန်ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကို စတင်သဖြင့် လုပ်ငန်းစတင်သည့်နေ့မှ ၂ နှစ်ကြာသည်အထိ Signature Bonus မရနိုင်သည့် သဘောဖြစ်နေသည်ဟု ယူဆ၍ ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(စ) MD-4 လုပ်ကွက်၏ စာချုပ်(မူကြမ်း) အပိုဒ် 2.6 နှင့် အပိုဒ် 11.1 တို့တွင် Contractor သည် လုပ်ငန်းစတင်သည့်နေ့မှ နောက်ရက်ပေါင်း(၃၀)အတွင်း Data Fee ပေးရမည်ဖြစ်ကြောင်းဖော်ပြထားပါသည်။ လုပ်ငန်းမစတင်နိုင်လျှင် Data Fee မရနိုင်သည်ကို ဌာနအနေဖြင့် သတိပြုသင့်ပါသည်၊

(ဆ) ထို့အပြင် MD-4 လုပ်ကွက်၏ စာချုပ်(မူကြမ်း)အပိုဒ် 11.2 Signature Bonus တွင် Section 3.4 အရ Contractor သည် စာချုပ်ရပ်စဲရန် အခွင့်အရေးကိုကျင့်သုံးခဲ့ခြင်းမရှိပါက Contractor သည်ကနဦးတူးဖော်မှု (Initial Exploration Period) ဆောင်ရွက်ပြီးသည့်နေ့မှ နောက်ရက်ပေါင်း ၃၀ အတွင်း Signature Bonus ပေးမည်ကြောင်းဖော်ပြထားပါသည်။ အပိုဒ်ခွဲ 3.3 အရ Study Period ကို လုပ်ငန်းစတင်ဆောင်ရွက်သည့်နေ့မှ စတင်ပြီး ၂ နှစ်အတွင်း ဆောင်ရွက်ရန်ဖြစ်ကြောင်းဖော်ပြထားပြီး အပိုဒ် 3.4 အရ Study Period ပြီးမှ Initial Exploration Period ကို စတင်သဖြင့် လုပ်ငန်းစတင်သည့်နေ့မှ ၂နှစ်ကြာသည်အထိ Signature Bonus မရနိုင်သည့်သဘောဖြစ်နေသည်ဟု ယူဆပါသဖြင့်လည်းကောင်း၊ အပိုဒ် 3.4 အရ Contractor သည် စာချုပ်ကိုရပ်စဲရန် အခွင့်အရေးကိုမကျင့်သုံးပါမှ Signature Bonus ရနိုင်မည်ဖြစ်သဖြင့်လည်းကောင်း ဌာနမှပြန်လည်စိစစ်သင့်ပါသည်၊

(ဇ) စာချုပ်(မူကြမ်း) များအပိုဒ်ခွဲ 12.7 တွင် ထုတ်လုပ်ရရှိသည့် သဘာဝဓာတ်ငွေ့များကို Contractor ဘက်က အသိအမှတ်ပြုသည့် ဈေးနှုန်း ဖြင့်သာ ရောင်းချရန် ဖော်ပြထားချက်ကို ဌာနမှသတိပြုသင့်ပါသည်၊

(ဈ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 14.2 တွင် Crude Oil ရောင်းချငွေများကို (၄၅)ရက်အတွင်း Contractor သို့ပေးချေရန်၊ အကယ်၍ (၄၅)ရက်ကျော်လွန်ပါက ဒဏ်ကြေးငွေအဖြစ် LIBOR Plus 3% ကို ဌာနက Contractor သို့ ထပ်ဆောင်းပေးရမည်ဖြစ်ကြောင်း ဖော်ပြထားသည်ကို ဌာနမှ သတိပြုသင့်ပါသည်၊

(ည) စာချုပ်(မူကြမ်း)များ Section 16 Title of Assets အပိုဒ် 16.2 ၏ ဒုတိယဝါကျ၌ Contractor သည် "copies of all data, information ----- outing and Petroleum စသည်တို့ကို မြန်မာနိုင်ငံအတွင်း သို့မဟုတ် ပြင်ပ(within or outside Myanmar)၌ လွတ်လပ်စွာသုံးစွဲနိုင်သည်" ဟူသော ဖော်ပြချက်နှင့်စပ်လျဉ်း၍ ဌာနအနေဖြင့် လက်ခံနိုင်ခြင်းရှိ မရှိ စိစစ်သင့်ပါသည်၊

(ဋ) စာချုပ်(မူကြမ်း)များအပိုဒ်ခွဲ 17.1 တွင် MOGE မှဆောင်ရွက်ရန် စည်းကမ်းချက်များကိုဖော်ပြထားရာ ဌာနမှလက်ခံဆောင်ရွက်နိုင်ခြင်းရှိ မရှိ ကြိုတင်စိစစ်ထားသင့်ပါသည်၊

(ဌ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (s) နှင့် (t) တို့တွင် MOGE မှ ဆောင်ရွက်ပေးရန်ဖော်ပြထားသည့်စည်းကမ်းချက်များပါရှိကြောင်းတွေ့ရှိရသဖြင့်အဆိုပါ MOGE မှ ဆောင်ရွက်ရမည့်စည်းကမ်းချက်များကို အပိုဒ်ခွဲ 17.1 ရှိ MOGE ၏ အခွင့်အရေးနှင့် တာဝန်များခေါင်းစဉ်အောက်တွင်သာ ဖော်ပြသင့်ပါသည်၊

(ဍ) စာချုပ်(မူကြမ်း)များ အပိုဒ်ခွဲ 17.2 (w) တွင် Contractor သည် Petroleum Operations ကြောင့် အထူး သို့မဟုတ် သွယ်ဝိုက်၍ပေါ်ပေါက်လာမည့်ထိခိုက်ဆုံးရှုံးမှုများနှင့်စပ်လျဉ်း၍ MOGE သို့မဟုတ် Government သို့ တာဝန်မရှိကြောင်း ဖော်ပြထားချက်အား ဌာနမှသတိပြုသင့်ပါသည်၊

(ဎ) စာချုပ်(မူကြမ်း)များ Section 20 Force Majeure အပိုဒ်ခွဲ 20.2 တွင် "acts of public authorities" ဟု ဖော်ပြထားရာ "acts" ဟု သုံးနှုန်းခြင်း

မှာကျယ်ပြန့်သည်ဟုယူဆပါသည်။ မည်သည့်ပြုလုပ်ဆောင်ရွက် မှုကို ဆိုလိုကြောင်း ရှင်းလင်းစွာဖော်ပြသင့်ပါသည်၊

(ဏ) စာချုပ်(မူကြမ်း)များ Section 22 Consultation and Arbitration အပိုဒ် 22.5 တွင် စာချုပ်ဝင်အသီးသီးအနေဖြင့် အမိန့်၊ စီရင်ချက်၊ ဆုံးဖြတ်ချက် သို့မဟုတ် အခြားကုစားခွင့်တစ်ရပ်ရပ်ကိုအကောင်အထည်ဖော်ခြင်းနှင့် စပ်လျဉ်းသောတောင်းဆိုမှုတစ်ခုခုအားစွန့်လွှတ်ကြောင်း ထပ်မံဖြည့်စွက်ထားသည်ကိုတွေ့ရှိရပါသည်။ ယင်းစည်းကမ်းချက်နှင့် စပ်လျဉ်း၍ စာချုပ်ဝင်များ၏ တရားစွဲဆိုနိုင်ခွင့်နှင့် တရားစွဲဆိုခံပိုင်ခွင့်တို့ကို ထပ်မံဖော်ပြထားခြင်းဖြစ်သောကြောင့်ဥပဒေကြောင်းအရ ကန့်ကွက်ရန်မရှိပါ။ ဌာန၏စီမံခန့်ခွဲရေးဘောင်အတွင်းမှ ဆုံးဖြတ်ရန်ဖြစ်ပါသည်၊

(တ) စာချုပ်(မူကြမ်း)များ Section 23 Banking နှင့် စပ်လျဉ်း၍ ဘဏ္ဍာရေးဝန်ကြီးဌာနနှင့် ညှိနှိုင်းဆောင်ရွက်သင့်ပါသည်၊

(ထ) စာချုပ်(မူကြမ်း)များ Section 26 နှင့် Annexure C ပါ Accounting Procedure တို့နှင့်စပ်လျဉ်း၍ ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး၏ သဘောထားမှတ်ချက်ကို ရယူသင့်ပါသည်၊

(ဒ) မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်က ၁၄-၈-၂၀၁၄ ရက်စွဲဖြင့် ထုတ်ပြန်ကြေငြာခဲ့သော အမိန့်ကြော်ငြာစာအမှတ် ၅၀/ ၂၀၁၄ "ပတ်ဝန်းကျင်ထိခိုက်မှုဆန်းစစ်ချက်ရယူရန်လိုအပ်သည့် စီးပွားရေးလုပ်ငန်းအမျိုးအစားသတ်မှတ်ခြင်း" ၌ အမှတ်စဉ် ၂ တွင် "ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေတူးဖော်ထုတ်လုပ်ခြင်း၊ ရေနံချက်စက်ရုံ သို့မဟုတ် ရေနံဓာတုဗေဒစက်ရုံတည်

ဆောက်အကောင်အထည်ဖော်ခြင်းလုပ်ငန်း" အား ဖော်ပြထားသည်ကို သိရှိနိုင်ရန်အတွက် ဖော်ပြအပ်ပါသည်။

၃။ ဤစာချုပ်(မူကြမ်း) ၂ ရပ်ကို ပြည်ထောင်စုရှေ့နေချုပ်ဥပဒေနှင့်အညီ ဥပဒေကြောင်း အရသာ ဥပဒေအကြံဉာဏ်ပေးခြင်းဖြစ်ပါသည်။ ဥပဒေရေးရာမဟုတ်သည့် စီမံရေးရာ၊ ဘဏ္ဍာရေးရာ၊ ကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များကို ဤရုံးအနေဖြင့် မှတ်ချက်ပေးရန်မရှိပါကြောင်းနှင့် ယင်းကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ သက်ဆိုင်ရာကျွမ်းကျင်သူများနှင့် ဆွေးနွေးညှိနှိုင်းဆောင်ရွက်ရန် အကြံပြု ပါသည်။

၄။ ရေနံနှင့် သဘာဝဓါတ်ငွေ့ရှာဖွေ၊ ထုတ်လုပ်၊ ဝယ်ယူရောင်းချခြင်းလုပ်ငန်းနှင့် သဘာဝဓာတ်ငွေ့ထွက်ပစ္စည်းများ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်းသည် နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်းများဥပဒေပုဒ်မ ၃ အရ နိုင်ငံတော်အစိုးရကသာ နိုင်ငံတော်ပိုင် စီးပွားရေးလုပ်ငန်း အဖြစ်ဆောင်ရွက်နိုင်ခွင့်ရှိသဖြင့် ယခုစာချုပ်(မူကြမ်း)ပါ လုပ်ငန်းများကို ဆောင်ရွက်နိုင်ရန် ဖော်ပြပါ ဥပဒေပုဒ်မ ၄ အရ အစိုးရအဖွဲ့၏ အမိန့်ကြော်ငြာစာဖြင့် ခွင့်ပြုချက်ရယူရန် လိုအပ်မည်ဖြစ်ပါသည်။

၅။ Eni Myanmar B.V (Eni) နှင့် Petrovietnam Production Corporation Exploration Ltd တို့သည် သက်ဆိုင်ရာနိုင်ငံများ၏ဥပဒေအရ တရားဝင်ဖွဲ့စည်းထားသောကုမ္ပဏီများဟုတ် မဟုတ်၊ စာချုပ်များပါ လုပ်ငန်းကို လုပ်ကိုင်နိုင်ခွင့်နှင့် လုပ်ကိုင်နိုင်စွမ်းရှိ မရှိ၊ ငွေကြေးအင်အားပြည့်စုံမှုရှိ မရှိ၊ စာချုပ်များတွင်လက်မှတ်ရေးထိုးမည့်သူများသည် တရားဝင်လွှဲအပ်ခြင်းခံရသူများဟုတ် မဟုတ် စသည်တို့အတွက် သက်ဆိုင်ရာစာရွက်စာတမ်း များတောင်းယူစိစစ်သင့်ပါသည်။

၆။ ဤ စာချုပ်(မူကြမ်း) ၂ ရပ်ကို လက်မှတ်ရေးထိုးပြီးပါက မှတ်တမ်းတင်ထားနိုင်ရန်အတွက် ဤရုံးသို့ မိတ္တူ (၃) စောင်စီပေးပို့ပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

၇။ ဤ အကြံပြုချက်ကို လျှို့ဝှက်အဆင့် သတ်မှတ်ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်(ကိုယ်စား)

(မေသီလင်း ၊ ဒုတိယညွှန်ကြားရေးမှူးချုပ်)

စွမ်းအင်ဝန်ကြီးဌာန

မိတ္တူ - ရုံးလက်ခံ / မျှောစာတွဲ

၈၉

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

ပြည်ထောင်စုစာရင်းစစ်ချုပ်ရုံး

စာအမှတ်၊ စဆ - ၈ / ၁၆၁ (၃၈၉/ ၂၀၁၄)

ရက်စွဲ ၂၀၁၄ ခုနှစ်၊ ဒီဇင်ဘာလ (၄) ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ မုတ္တမကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD-4 တွင် ချုပ်ဆိုမည့် စာချုပ်မူကြမ်းနှင့် စပ်လျဉ်း၍ သဘောထားမှတ်ချက် တောင်းခံခြင်းကိစ္စ

ရည်ညွှန်းချက် ။ လိပ်မူပါရုံး၏ ၂၁-၁၁-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၁၉/ထ(၈၀၄/ ၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း၊ မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD - 2 နှင့် တနင်္သာရီကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD - 4 တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နယ်သာလန်နိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Eni Myanmar B.V နှင့် ဗီယက်နမ်ဆိုရှယ်လစ်သမ္မတနိုင်ငံတွင် မှတ်ပုံတင်ထားသည့် Petrovietnam Exploration Production Coporation Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ်မူကြမ်းအပေါ် သဘောထားမှတ်ချက်ပြန်ကြားပေးပါရန် ရည်ညွှန်းချက်ပါစာဖြင့် ညှိနှိုင်းမေတ္တာရပ်ခံလာပါသည်။

၂။ သို့ဖြစ်ပါ၍ Section-26 ပါ Books and Accounts and Audits နှင့် Annexure "C" ပါ Accounting Procedure များနှင့်စပ်လျဉ်း၍ ဤရုံးမှ သဘောထားမှတ်ချက် ဖော်ပြရန်မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုစာရင်းစစ်ချုပ်(ကိုယ်စား)

(မျိုးမြင့်၊ ဒုတိယစာရင်းစစ်ချုပ်)

မိတ္တူ

နိုင်ငံတော်သမ္မတရုံး

သမ္မတဦးစီးရုံး

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

ရုံးလက်ခံ

မျှော

နောက်ဆက်တွဲ(ဓ)

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်အစိုးရ
ဘဏ္ဍာရေး ဝန်ကြီးဌာန
ဝန်ကြီးရုံး

Energy Planning Department

စာအမှတ်၊ ဘခ - ၁ / ၂၇၄(၆၄၆၅ / ၂၀၁၄)
ရက်စွဲ၊၂၀၁၄ ခုနှစ်၊နိုဝင်ဘာလ ၁၃ ရက်

သို့

ပြည်ထောင်စုဝန်ကြီး
စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ သဘောထားမှတ်ချက်ပြန်ကြားခြင်းကိစ္စ

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏၂၂-၁၀-၂၀၁၄ ရက်စွဲ ပါစာအမှတ်၊ ဂဂ၈ / ၉၁၉/ ထ (၈၆၉/ ၂၀၁၄)

၁။ စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း (MOGE) သည် Eni Myanmar B.V နှင့် Petrovietnam Expolration Production Corporation Ltd. တို့နှင့် ပူးပေါင်း၍ မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2၊ တနင်္သာရီကမ်းလွန်ဒေသရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ရေနံနှင့်သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန် အတွက် လက်မှတ်ရေးထိုးမည့် Production Sharing Contract for Exploration and Production of Petroleum စာချုပ် (မူကြမ်း) အပေါ် ဤဝန်ကြီးဌာန၏ သဘောထား မှတ်ချက်မှာ အောက်ပါအတိုင်းဖြစ်ပါသည်-

(က) မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ ခွင့်ပြုချက်ရယူရန် လိုအပ်ပြီး နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှုဥပဒေနှင့် နည်းဥပဒေ၊ မြန်မာနိုင်ငံသားများ ရင်းနှီးမြှုပ်နှံမှုဥပဒေများ နှင့်အညီ ဆောင်ရွက်သင့်ပါသည်။

(ခ) စာချုပ်မူကြမ်း (၅.၄.၁)တွင် ဖော်ပြထားသော Performance Bank Guarantee ထုတ်ပေးရမည့်ဘဏ်ကို "corresponding bank of Myanma Foreign Trade Bank"ဟု သတ်မှတ်ဖော်ပြချက်အား "any State Owned Banks in Myanmar" ဟု အစားထိုးသတ်မှတ်၍ စာချုပ်ချုပ်ဆိုနိုင်ရေး မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့ လုပ်ငန်းမှ လက်ခံဆောင်ရွက်နိုင်ပါက တည်ဆဲဥပဒေညွှန်ကြားချက်အရ နိုင်ငံပိုင်ဘဏ် များမှလည်း ဘဏ်အာမခံထုတ်ပေးနိုင်ပါသည်။

(ဂ) စာချုပ်မူကြမ်းအပိုဒ်(၂၃.၇)အရ ငွေပေးချေမှုများကို အမေရိကန်ဒေါ်လာဖြင့် ပေးချေရမည်ဟု ဖော်ပြထားရာ အမေရိကန်ဒေါ်လာဖြင့် ပေးချေပါက ငွေပေးချေမှု အဆင်ပြေစေရန် မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၏မည်သည့် USD A / C သို့ ပေးချေရမည်ကို ငွေလက်ခံမည့်ဘဏ်နှင့် ငွေစာရင်းအမှတ်များ ကြိုတင်ညှိနှိုင်းထားသင့်ပါသည်။

(ဃ) အဆိုပါစီမံကိန်းနှင့် ပတ်သက်၍ စွမ်းအင်ဝန်ကြီးဌာနမှ ရရှိသည့် ဝင်ငွေများအား သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်၏ ရသုံးမှန်းခြေငွေစာရင်းတွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပါသည်။

(င) အဆိုပါစီမံကိန်းနှင့် ပတ်သက်၍ MOGE မှ ကျခံရမည့် အသုံးစရိတ်များ ရှိပါက သက်ဆိုင်ရာဘဏ္ဍာရေးနှစ်တွင် ထည့်သွင်းလျာထားရမည်ဖြစ်ပြီး အဆိုပါလျာထားချက်ကို ပြည်ထောင်စုလွှတ်တော်၏ အတည်ပြုချက် ရရှိမှသာ ကျခံသုံးစွဲနိုင်မည်ဖြစ်ပါသည်။

(စ) အခွန်ဆိုင်ရာကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ တည်ဆဲအခွန်ဆိုင်ရာဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းနှင့် အမိန့်ကြော်ငြာစာများပါ ပြဋ္ဌာန်းချက်များနှင့်အညီ လိုက်နာဆောင်ရွက်သွားရန်လိုအပ်မည်ဖြစ်ပါသည်။

(ဆ) Section (17) Rights and Obligation of MOGE and Contractor ခေါင်းစဉ်အောက်ရှိ အပိုဒ်ခွဲ 17.1(b) (i)တွင် မြန်မာ့နိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့် စက်ပစ္စည်းကိရိယာတန်ဆာပလာများအတွက် ပေးဆောင်ရမည့် အခွန်အခများကို Contractorမှ ပေးဆောင်ရန်ဖြစ်ပြီး MOGE မှ ကူညီဆောင်ရွက်ပေးရန်နှင့် အပိုဒ်ခွဲ 17.2 (d) တွင် မြန်မာနိုင်ငံအတွင်းကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် ကျသင့်သည့်အခွန်အခများအား Contractor မှ ပေးဆောင်ရန်ဟု ဖော်ပြထားရာ မြန်မာ့နိုင်ငံအတွင်း တင်သွင်းလာသော စက်ပစ္စည်းကိရိယာ တန်ဆာပလာများနှင့် ကိုယ်ပိုင်အသုံးပြုရန် တင်သွင်းလာသည့် မော်တော်ယာဉ်များအတွက် Contractorမှ ကျသင့်သည့် အခွန်အခများအား ပေးဆောင်ရာတွင် အကောက်ခွန်ဦးစီးဌာနမှ ပြဋ္ဌာန်းထားသည့် လုပ်ထုံးလုပ်နည်းများနှင့်အညီ ဆောင်ရွက်ရမည်ဖြစ်ပါသည်။

အမိန့်ကြော်ငြာစာအမှတ် ၊ ၅၇ -က-၂၀၀၇ ဖြင့် ထုတ်ပြန်ထားသည့် ခရီးသည် ကိုယ်သုံးဝန်စည်များကိုသာ အခွန်ကင်းလွတ်ခွင့် ရရှိမည်ဖြစ်ပါသည်။

(ဈ) အပိုဒ် 17.2 (g) နှင့် (h)တို့တွင် လုပ်ငန်းအတွက် လိုအပ်၍ တင်သွင်းလာသည့် ပစ္စည်းများနှင့် ငှားရမ်းအသုံးပြုသည့်ပစ္စည်းများ မြန်မာနိုင်ငံအတွင်းသို့ တင်သွင်းလာသည့်အခါ Drawbacks စနစ်ဖြင့် တင်သွင်းရန်ဟု ဖော်ပြထားရာ Drawbacks စနစ်ဖြင့် တင်သွင်းလာမည့် ပစ္စည်းများနှင့် ပတ်သက်၍ ပင်လယ်အကောက်ခွန် အက်ဥပဒေပုဒ်မ ၄၂ နှင့် အကောက်ခွန်ဦးစီးဌာန၏ အမြဲတမ်းအမိန့် (၂/ ၂၀၁၃)တို့အား လိုက်နာကျင့်သုံးဆောင်ရွက်ရန် လိုအပ်မည် ဖြစ်ပါသည်။

၂။ လိုအပ်သလို ဆောင်ရွက်နိုင်ပါရန် ပြန်ကြားအပ်ပါသည်။

ပြည်ထောင်စုဝန်ကြီး(ကိုယ်စား)
(ဒေါက်တာလင်းအောင်၊ဒုတိယဝန်ကြီး)

မြန်မာနိုင်ငံခြားကုန်သွယ်မှုဘဏ်
ငွေတိုက်ဦးစီးဌာန
ပြည်တွင်းအခွန်များဦးစီးဌာန
အကောက်ခွန်ဦးစီးဌာန

လျှို့ဝှက်

၉၃

နောက်ဆက်တွဲ(ဈ)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

စီမံကိန်း နှင့် စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှု ဝန်ကြီးဌာန

ပြည်ထောင်စုဝန်ကြီးရုံး

စာအမှတ်၊ အမစ - ၁/၃/၉(၆၀၉၉/၂၀၁၄)

ရက်စွဲ၊ ၂၀၁၄ ခုနှစ် နိုဝင်ဘာလ ၄ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် Eni Myanmar B.V. နှင့် Petrovietnam Exploration Production Corporation Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း)များအပေါ် သဘောထားပြန်ကြားခြင်း**

ရည်ညွှန်းချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၁-၁၀-၂၀၁၄ရက်စွဲပါ စာအမှတ် ၀၀၈/၉၁၉/ထ (၈၇၁/၂၀၁၄)

၁။ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် Eni Myanmar B.V. နှင့် Petrovietnam Exploration Production Corporation Ltd တို့အကြား ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း)များအပေါ် အောက်ပါ သဘောထားမှတ်ချက်ပေးပို့အပ်ပါသည်-

(က) Production Sharing Contract (မူကြမ်း) များအရ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း နှင့် Eni Myanmar B.V. နှင့် Petrovietnam Exploration Production Corporation Ltd တို့အကြား မုတ္တမကမ်းလွန်ဒေသရေနက်ပိုင်းလုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD-4 တို့တွင် ရေနံနှင့် သဘာဝဓာတ်ငွေ့ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်းဆောင်ရွက်ရန် အတွက် Production Sharing Contractများ လက်မှတ်ရေးထိုးချုပ်ဆိုမည် ဖြစ်ကြောင်း ဖော်ပြပါရှိပါသည်။

(ခ) Production Sharing Contract (မူကြမ်း)များ Section (5) တွင် ကန်ထရိုက်တာကုမ္ပဏီမှ မြန်မာ့ရေနံ နှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းသို့ လုပ်ငန်းဆောင်ရွက်မှု ဘဏ်အာမခံကြေး(PBG)ပေးသွင်းခြင်း၊ Section (17)တွင် ကန်ထရိုက်တာကုမ္ပဏီက ရေနံစတင်ရောင်းချချိန်မှ စ၍ပေးဆောင်ရန်ရှိသော အခွန်အခများကို ပေးဆောင်မည်ဖြစ်ကြောင်းဖော်ပြထားသဖြင့် သင့်မြတ်မှုရှိပါသည်။

(ဂ) Production Sharing Contract (မူကြမ်း)များတွင် စာချုပ်ဝင်ကန်ထရိုက်တာ နိုင်ငံခြားကုမ္ပဏီနှင့် မြန်မာကုမ္ပဏီတို့မှာ ဥပဒေအရ တရားဝင်ဖွဲ့စည်းတည်ထောင်ထားသော ကုမ္ပဏီ ဟုတ်-မဟုတ်၊ ငွေရေးကြေးရေး အထောက်အထား ခိုင်မာမှု ရှိ-မရှိ၊ တရားဝင်လက်မှတ်ရေးထိုးပိုင်ခွင့်ရှိသူဟုတ်-မဟုတ် ကုမ္ပဏီဆိုင်ရာ အထောက်အထားများနှင့် တိုက်ရိုက်စိစစ်ရန် လိုအပ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

လျှို့ဝှက်

(ဃ) Production Sharing Contract(မူကြမ်း)များ Section (9)တွင် ထုတ်လုပ်ရရှိသည့် ရေနံများအပေါ် စာချုပ်ဝင်ပုဂ္ဂိုလ်များ ဖြစ်ကြသည့် MOGE နှင့် ကန်ထရိုက်တာကုမ္ပဏီများအကြား သတ်မှတ်ထားသည့် ရေနံပမာဏအလိုက် အချိုးကျအကျိုးအမြတ်ခွဲဝေမည်ဖြစ်ကြောင်း ဖော်ပြထားသည့်အတွက် သင့်မြတ်မှုရှိပါသည်။

(င) Production Sharing Contract (မူကြမ်း)များ တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း လုပ်ငန်းသည် ၁၉၈၉ ခုနှစ်၊ နိုင်ငံတော်ပိုင်စီးပွားရေး လုပ်ငန်းများဥပဒေ ပုဒ်မ(၃)၊ ပုဒ်မခွဲ (ဂ)တွင် အကျုံးဝင်သက်ဆိုင်သဖြင့် ယင်းဥပဒေ ပုဒ်မ(၄)အရ ပြည်ထောင်စု အစိုးရအဖွဲ့က အမိန့်ကြော်ငြာစာ ထုတ်ပြန်၍ ခွင့်ပြုရန် လိုအပ်သည်ကို အကြံပြု အပ်ပါသည်။

(စ) Production Sharing Contract (မူကြမ်း)များပါ ကိစ္စရပ်များနှင့် စပ်လျဉ်း၍ ပြည်ထောင်စုလွှတ်တော်ဆိုင်ရာ ဥပဒေကို ပြင်ဆင်သည့်ဥပဒေ (၂၀၁၄ခုနှစ်၊ ပြည်ထောင်စုလွှတ်တော်ဥပဒေ အမှတ် ၂) နှင့်အညီ ဆောင်ရွက်ရန် ဖြစ်ပါသည်။

(ဆ) Production Sharing Contract (မူကြမ်း)များပါ စီမံကိန်းလုပ်ငန်းများ အကောင်အထည်ဖော်ဆောင်ရွက်ရာတွင် တည်ဆဲပတ်ဝန်းကျင်ထိန်းသိမ်းရေးဥပဒေ (၂၀၁၂) နှင့် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်၏ အမိန့်ကြေညာစာအမှတ် (၁/၂၀၁၃)နှင့် အညီ ဆောင်ရွက်ရန်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဇ) Production Sharing Contract (မူကြမ်း)များတွင် ကမ်းလွန်လုပ်ကွက်များအရ ပင်လယ်ပြင်အတွင်း လုပ်ငန်း၏ စွန့်ပစ်ဆီ၊ ရေ၊ အမှိုက်များ အပါအဝင်စွန့်ပစ်ပစ္စည်း အမျိုးမျိုးစွန့်ပစ်ခြင်းကို အာဆီယံအပါအဝင် အိမ်နီးချင်းနိုင်ငံများနှင့် နိုင်ငံတကာလုပ်ထုံးလုပ်နည်းများနှင့် အညီ လိုက်နာဆောင်ရွက်သင့်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ဈ) မြန်မာနိုင်ငံသည် Extractive Industry Transparency Initiative (EITI) အဖွဲ့ဝင်နိုင်ငံဖြစ်ပါသဖြင့် ဤစာချုပ်ပါလုပ်ငန်းများကို ၂၀၁၃ခုနှစ် EITI Standard နှင့် အညီ ဆောင်ရွက်ရန် လိုအပ်မည်ဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။

(ည) Production Sharing Contract (မူကြမ်း)များပါ မိမိဘက်မှ ဆောင်ရွက်ပေးရမည့်ကိစ္စရပ်များ နှင့်လုပ်ငန်းကျွမ်းကျင်မှုဆိုင်ရာကိစ္စရပ်များနှင့်စပ်လျဉ်း၍ နိုင်ငံတော်၏ တည်ဆဲဥပဒေ၊ နည်းဥပဒေ၊ စည်းမျဉ်းစည်းကမ်းများ၊ လုပ်ထုံးလုပ်နည်းများနှင့် ညီညွတ်မှုရရှိရန် လိုအပ်မည် ဖြစ်ပါသဖြင့် သက်ဆိုင်ရာလုပ်ငန်း အကောင်အထည်ဖော်မည့် ဌာန၊ အဖွဲ့အစည်းမှ တာဝန်ယူစိစစ်ရန် ဖြစ်ပါသည်။

၂။ Production Sharing Contract (မူကြမ်း)များပါ သတ်မှတ်ချက်များသည် မြန်မာရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် ကန်ထရိုက်တာနိုင်ငံခြားကုမ္ပဏီတို့အကြား ကမ်းလွန်လုပ်ကွက်များ အတွက် လက်မှတ်ရေးထိုးချုပ်ဆိုခဲ့သည့် Production Sharing Contract များပါ စည်းကမ်းချက်များကို အခြေခံ၍ ရေးဆွဲထားကြောင်း တွေ့ရှိရပါသဖြင့် သက်ဆိုင်ရာ စွမ်းအင်ဝန်ကြီးဌာန မှ

သဘောတူလက်ခံပါက ဌာနကြီးဌာနအနေဖြင့် အထူးမှတ်ချက်ပြုရန်မရှိပါကြောင်း ဖော်ပြအပ်ပါသည်။

၃။ Production Sharing Contract (မူကြမ်း)များ လက်မှတ်ရေးထိုးပြီးပါက မိတ္တူ (၃)စောင်ကို ဌာနကြီးဌာနသို့ ပေးပို့ပေးပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

4/11/2014

ဒုတိယဝန်ကြီး(ကိုယ်စား)
(ထွန်းထွန်းနိုင်၊ ညွှန်ကြားရေးမှူးချုပ်)

မိတ္တူကို
ပြည်ထောင်စုဝန်ကြီးရုံး၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ဒုတိယဝန်ကြီး(၁)ရုံးခန်း၊ အမျိုးသားစီမံကိန်းနှင့်စီးပွားရေးဖွံ့ဖြိုးတိုးတက်မှုဝန်ကြီးဌာန
ရင်းနှီးမြှုပ်နှံမှုနှင့်ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန
အမျိုးသားမှတ်တမ်းများမော်ကွန်းတိုက်ဦးစီးဌာန
ရုံးလက်ခံ/မျှောစာတွဲ

၉၆

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်

စာအမှတ်၊ မဗဘ/ဘဏ်စိစစ်/၄(၃၆၈/၂၀၁၄)
ရက်စွဲ၊ ၂၀၁၄ ခုနှစ်၊ နိုဝင်ဘာလ ၁၀ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ မုတ္တမကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 2 နှင့် တနင်္သာရီကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 4 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း) များအပေါ် သဘောထားမှတ်ချက် ပြန်ကြားခြင်း

ရည် ညွှန်း ချက် ။ စွမ်းအင်ဝန်ကြီးဌာန၏ ၂၂-၁၀-၂၀၁၄ ရက်စွဲပါ စာအမှတ်၊ ၀၀၈/၉၁၉/ထ (၈၇၀/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်း(MOGE)၏ မုတ္တမကမ်းလွန်ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 2 နှင့် တနင်္သာရီကမ်းလွန် ဒေသ ရေနက်ပိုင်းလုပ်ကွက် MD 4 တို့တွင် ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်း (MOGE)နှင့် Eni Myanmar B.V နှင့် Petrovietnam Exploration Production Corporation Ltd. တို့ ချုပ်ဆိုမည့် Production Sharing Contract for the Exploration and Production of Petroleum (မူကြမ်း) များအပေါ် သဘောထားမှတ်ချက်တောင်းခံလာခြင်းနှင့်စပ်လျဉ်း၍ ယခင်ရေနံနှင့်သဘာဝဓာတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ခြင်း ဆောင်ရွက်ရန်အတွက် ချုပ်ဆိုခဲ့သည့် Production Sharing Contract for the Exploration and Production of Petroleum စာချုပ်များအတိုင်း ဖော်ပြထားကြောင်း တွေ့ရှိရပါသည်။ မြန်မာနိုင်ငံတော်ဗဟိုဘဏ်အနေဖြင့် သဘောထားမှတ်ချက်ပြုရန် မရှိပါကြောင်း ပြန်ကြားအပ်ပါသည်။

၁၀/၁၁/၂၀၁၄

ဥက္ကဋ္ဌ (ကိုယ်စား)
(ခင်စောဦး၊ ဒုတိယဥက္ကဋ္ဌ)

LH(M)Production MD-2 MD-4(27-10-2014) -5.doc

လျှို့ဝှက်

၉၇

နောက်ဆက်တွဲ(၄)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

သမ္မတရုံးဝန်ကြီးဌာန(၃)

စာအမှတ်၊ ၁၁ (၁) / ၁၄ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၂ ရက်

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

အကြောင်းအရာ။ ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ (၁ / ၂၀၁၅)၏ မှတ်တမ်းကောက်နုတ်ချက် တင်ပြခြင်းကိစ္စ

၁။ ပြည်ထောင်စုအစိုးရအဖွဲ့ စီးပွားရေးရာကော်မတီအစည်းအဝေး (၁ / ၂၀၁၅) ကို ၁ - ၁ - ၂၀၁၅ ရက်နေ့ (ကြာသပတေးနေ့)တွင် သမ္မတရုံးဝန်ကြီးဌာန(၃)၊ ရုံးအမှတ်(၁၄) အစည်းအဝေးခန်းမ၌ ကျင်းပပြုလုပ်ခဲ့ပါသည်။

၂။ အဆိုပါအစည်းအဝေး၌ ဆွေးနွေးခဲ့သည့် အကြောင်းအရာများ၏ ကောက်နုတ်ချက်များကို သိရှိနိုင်ပါရန် ပူးတွဲပါဇယားဖြင့် တင်ပြအပ်ပါသည်။

ဥက္ကဋ္ဌ

ပြည်ထောင်စုအစိုးရအဖွဲ့၊ စီးပွားရေးရာကော်မတီ

မိတ္တူကို

နိုင်ငံတော်သမ္မတရုံး

ပြည်ထဲရေးဝန်ကြီးဌာန

ဆက်သွယ်ရေးနှင့်သတင်းအချက်အလက်နည်းပညာဝန်ကြီးဌာန

ပို့ဆောင်ရေးဝန်ကြီးဌာန

စဉ်	တင်ပြသည့်ဝန်ကြီးဌာန	အကြောင်းအရာ	ဆုံးဖြတ်ချက်
၁၃။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ROC Oil (Myanmar) Pte., Ltd. ၊ TAP Energy (M-7) Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင် ကုမ္ပဏီ Smart E & P International Co., Ltd. တို့အား မုတ္တမကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-7 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၄။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ TRG M 15 Pte., Ltd. ၊ CFG Energy Pte., Ltd. နှင့် မြန်မာတိုင်းရင်းသားပိုင်ကုမ္ပဏီ Century Bright Gold Co., Ltd. တို့အား တနင်္သာရီကမ်းလွန်ဒေသ လုပ်ကွက်ဖြစ်သည့် လုပ်ကွက် M-15 တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ် (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့် ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။
၁၅။	စွမ်းအင်ဝန်ကြီးဌာန	စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၂ ခု တို့သည် မုတ္တမကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-2 နှင့် တနင်္သာရီကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (PSC) ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် တင်ပြခြင်း။	နိုင်ငံတော်သမ္မတကြီးထံ တင်ပြပါမည်။ ခွင့်ပြုပါက ပြည်ထောင်စုအစိုးရအဖွဲ့အစည်းအဝေးသို့ တင်ပြဆောင်ရွက်ရန်။

နောက်ဆက်တွဲ(၄)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်

နိုင်ငံတော်သမ္မတရုံး

စာအမှတ်၊ ၅၆ (၃) / ၇ / သမ္မတရုံး

ရက်စွဲ၊ ၂၀၁၅ ခုနှစ်၊ ဇန်နဝါရီလ ၃ ရက်

သို့

စွမ်းအင်ဝန်ကြီးဌာန

အကြောင်းအရာ။ **ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆို လုပ်ကိုင်ခွင့်ကိစ္စ**

ရည် ညွှန်း ချက် ။ ယင်း၏ ၂၂-၁၂-၂၀၁၄ ရက်စွဲပါစာအမှတ်၊ ၀၀၈/၉၁၉/ထ (၁၀၄၃/၂၀၁၄)

စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့်သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ (၂) ခုတို့ကို မုတ္တမကမ်းလွန်ရေနက်ပိုင်း လုပ်ကွက် MD - 2 နှင့် တနင်္သာရီကမ်းလွန် ရေနက်ပိုင်း လုပ်ကွက် MD-4 တို့တွင် ထုတ်လုပ်မှုအပေါ် ခွဲဝေရေးစာချုပ် ချုပ်ဆို လုပ်ကိုင်ခွင့်ပြုပါရန် ရည်ညွှန်းစာဖြင့် တင်ပြလာခြင်းအား လုပ်ထုံးလုပ်နည်းနှင့်အညီ ဆက်လက်ဆောင်ရွက်သွားရန် အကြောင်းကြားအပ်ပါသည်။

ညွှန်ကြားရေးမှူးချုပ်

မိတ္တူကို

သမ္မတဦးစီးရုံး

ဒုတိယသမ္မတဦးစီးရုံးများ

ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး

သမ္မတရုံးဝန်ကြီးဌာန(၃)

သမ္မတရုံးဝန်ကြီးဌာန(၅)

လျှို့ဝှက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်အစိုးရ

စွမ်းအင်ဝန်ကြီးဌာန

(ဝန်ကြီးရုံး)

အကြောင်းအရာ။ ။ မှတ်တမ်းကောက်နုတ်ချက်ပေးပို့ခြင်း

ရည်ညွှန်းချက် ။ (၁) စွမ်းအင်ဝန်ကြီးဌာန၏ ၂-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၀၀၈ / ၉၀၇ / ထ(၇၁/၂၀၁၅)

(၂) ပြည်ထောင်စုအစိုးရအဖွဲ့ရုံး၏ ၂၆-၂-၂၀၁၅ ရက်စွဲပါစာအမှတ်၊ ၃၄/၂၅၇/ အဖရ(၄/၂၀၁၅)

အထက်ရည်ညွှန်း(၁)ပါစာဖြင့် တင်ပြထားသော စွမ်းအင်ဝန်ကြီးဌာန၊ မြန်မာ့ရေနံနှင့် သဘာဝဓာတ်ငွေ့လုပ်ငန်းနှင့် နိုင်ငံခြားရေနံကုမ္ပဏီ ၃ ခုတို့အား ကမ်းလွန်ရေတိမ်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် M-7၊ လုပ်ကွက် M-15နှင့် ကမ်းလွန်ရေနက်ပိုင်းလုပ်ကွက်များဖြစ်သည့် လုပ်ကွက် MD-2 ၊ လုပ်ကွက်MD-4 တို့၌ ထုတ်လုပ်မှုအပေါ် ခွဲဝေခံစားရေးစာချုပ်များ (Production Sharing Contracts-PSC) ချုပ်ဆိုလုပ်ကိုင်ခွင့်ပြုရန် တင်ပြခြင်းကိစ္စနှင့်ပတ်သက်၍ ၁၃-၂-၂၀၁၅ ရက်နေ့တွင် ကျင်းပပြုလုပ်သော ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်၊ ပြည်ထောင်စု အစိုးရအဖွဲ့ အစည်းအဝေးအမှတ်စဉ်(၄/၂၀၁၅)မှ သဘောတူပါကြောင်း ရည်ညွှန်း(၂)ပါစာဖြင့် အကြောင်းကြားလာပါသဖြင့် လိုအပ်သလိုဆက်လက်ဆောင်ရွက်နိုင်ပါရန် အကြောင်းကြားအပ်ပါသည်။

ဒုတိယဝန်ကြီး(ကိုယ်စား)

(ဌေးအောင်၊ရုံးအဖွဲ့မှူး)

စွမ်းအင်စီမံရေးဦးစီးဌာန

စာအမှတ်၊ ၅-၂ စွမ်းအင်(၁) (၇၉၉) ၂၀၁၅

ရက်စွဲ ၊ ၂၀၁၅ ခုနှစ်၊ မတ်လ ၃ ရက်

Z/ND/40058886/dms13801559

STATEMENT

The undersigned:

Pieternel Kouwenhoven, hereafter referred to as: "civil law notary", as substitute of Dominique François Margaretha Maria Zaman, civil law notary in Rotterdam, the Netherlands,

hereby certifies that:

the signature appearing on the attached document is the true and genuine signature of:

- Roberto Castriota, born in Rome, Italy, on 18 January 1958, holder of an Italian passport with number AA3779530, valid until 1 February 2019;

furthermore, the undersigned civil notary hereby certifies that:

- according to and solely based upon the registration with the Trade Register of the Dutch Chamber of Commerce under number 57919127 and the articles of association of the Company (as defined hereinafter) in force at the date hereof as appears from the aforementioned registration, Mr R. Castriota is a management board member of Eni Myanmar B.V., a Dutch private company with limited liability, having its official seat in Amsterdam, the Netherlands, and its office address at 1077 XX Amsterdam, the Netherlands, Strawinskylaan 1725, hereinafter: **Company**, and in such capacity entitled to represent the Company if and when acting jointly with all the other management board members of the Company;

- according to and solely based upon the wording of the document titled "Minutes of the Meeting of the Board of Directors", dated 16 May 2013, a photocopy of which is attached to this statement as Annex A (on the authenticity, the validity and adoption of which I do not express a view), Mr R. Castriota, is appointed as an authorized representative of the Company with the title Managing Director and is entitled to represent the Company within the limits set out in the aforementioned document titled "Minutes of the Meeting of the Board of Directors", and to sign the attached document solely and independently.

The significance of this statement is strictly limited to the ascertainment of the identity and the signature of the person mentioned herein, as well as the authority to represent the legal entity mentioned herein. No judgements are made by the undersigned, civil law notary, with respect to - inter alia - the content and possible

KONINKLIJKE NOTARIËLE BEROEPSORGANISATIE

legal consequences of the attached document or any other aspects thereof.

It should be noted that under Dutch corporate law, there are certain exceptions to the general principle that a person who deals with a company, acting in good faith, may rely on the information on such company that is registered with the trade register, which information is the basis of our statements above. For example, restrictions may apply to the ability of a company to enter into a transaction and the ability of the members of its management board to represent such company if the transaction concerned constitutes ultra vires (*doeloverschrijding*) or financial assistance (*financiële steunverlening*).

This certificate may only be relied upon on the express condition that any issues of interpretation or liability there under will be governed by Dutch law and be brought exclusively before a Dutch Court and is subject to the General Terms and Conditions of Loyens & Loeff N.V. (lawyers, tax advisors and civil-law notaries)[1] which include a limitation of liability clause.

Signed at Rotterdam, the Netherlands, on 17 May 2013.

P. Kouwenhoven

* Prof. mr. D.F.M.M. ZAMAN * NOTARIS TE ROTTERDAM

[1] These conditions were deposited with the Registry of the Rotterdam District Court on 1 July 2009 under number 43/2009 and can be found at http://www.loyensloeff.com.

LEGALISATIE
Nr. HA RP 13.360

Gezien voor legalisatie de handtekening van
mr. P. Kouwenhoven, kandidaat-notaris
te Rotterdam
door de President van de rechtbank Rotterdam,

Rotterdam, 21 mei 2013
Coll.
E. Groeneveld

mr. R.G. de Lange-Tegelaar

MINISTERIE VAN JUSTITIE
€ 4,00

Gezien voor legalisatie van de handtekening
van mr R.G.de Lange - Tegelaar
President van de Rechtbank te Rotterdam
's-Gravenhage 22 MEI 2013
De Minister van Justitie,
namens de Minister,
Hoofd van de directie Bedrijfsvoering en Ondersteuning
Bestuurdepartement,
voor deze,

J. van Rijn

Ministerie van Buitenlandse Zaken

Gezien voor legalisatie van de handtekening
van: J. van Rijn
De minister van Buitenlandse Zaken voor deze,

22-MEI-13 0293 MW N. SCHILLEVOORT

LEGALISATION NO 86/2013
DATE 23 MAY 2013
CERTIFIED AT THE MYANMAR EMBASSY BRUSSELS, FOR
LEGALIZATION OF THE FOREGOING SIGNATURE OF
N. SCHILLE VOORT

KHIN OO HLAING
First Secretary
Embassy of the Republic
of the Union of Myanmar

eni myanmar
WTC - Tower B
Strawinskylaan 1725
1077 XX Amsterdam
The Netherlands
Tel: +31 20 719 6000
Fax: +31 20 570 7170

To the kind attention of
Director General
Energy Planning Department
Ministry of Energy
Building No 6, Nay Pyi Taw
The Republic of the Union of Myanmar

16 May, 2013

Dear Sir,

Reference is made to the "Invitation for bids to conduct petroleum operations in Myanmar offshore areas (2013)", issued by the Government of the Republic of the Union of Myanmar, Ministry of Energy, on 11th April 2013 (the "Invitation").

Eni Group, through its wholly owned affiliate Eni International B.V. has incorporated in The Netherlands a fully owned special purpose vehicle, Eni Myanmar B.V., to express its interest in taking part in the First Myanmar Offshore Bidding Round 2013.

Eni Myanmar B.V. has, directly and/or through the Eni Group, the financial and technical capabilities to conduct petroleum operation in the offshore of Myanmar.

For your ease of reference we attach, among others, Eni International B.V. 2012 and Eni SpA 2012 annual reports.

We look forward to receiving Your kind feedback on the results of the pre-qualification process and Your advice on the next steps for the offshore bid round 2013.

Please remain reassured of our Highest Regards and Consideration.

Sincerely,

Roberto Castriota

Managing Director

Eni Myanmar B.V.

P.S. For any questions on request for clarification, please do not hesitate to contact eni Company Representative in Myanmar at:

Email: Massimiliano.pieri@eni.com
Mob. Myanmar: +95 9 4500 65 841
Mob. Italy: +39 348 99 21 961
Tel. Office: +39 02 520 63 556
Fax: +39 02 520 63 844

Annex A

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF ENI MYANMAR B.V. ("THE COMPANY") HELD IN AMSTERDAM, THE NETHERLANDS, CALLED BY THE CHAIRMAN ON MAY 16, 2013, AT 15,00.

Present at Meeting were:

Massimiliano Pieri	- Chairman
Roberto Castriota	- Managing Director
Anna Massi	- Director

The Chairman invited to the Meeting Mr. Walter Giuffre', Head Office Corporate Affairs Services Department Manager, Ms. Elena Perotti and Ms. Debora Pastorino - Head Office Corporate Affairs Services Department with the consent of the other directors.

Mr. Pieri took the chair and requested Ms. Elena Perotti to act as Secretary of the Meeting. Ms. Perotti accepted.

The Chairman of the Meeting, considering that the Meeting was convened in accordance with the relevant provisions of the Company's Articles of Association, and as all the Directors were present, declared the Meeting validly constituted and invited the Secretary to read the items of the Agenda to be discussed:

1. **Constitution of the Board of Directors – Assignment of titles of Chairman and Managing Director;**
2. **Adoption of Management System Guidelines and Relevant Policies and Circulars;**
3. **Approval of Service Agreement with Eni International B.V.**
4. **Approval of Service Agreement with Eni S.p.A.**
5. **Any other business.**

The Chairman of the Meeting made reference to item 1 of the Agenda:

1. **Constitution of the Board of Directors – Assignment of titles of Chairman and Managing Director.**

The Chairman reminded that on May 13, 2013, the Company was incorporated by notarial deed, and it was resolved to appoint Messrs. Massimiliano Pieri, Roberto Castriota and Ms. Anna Massi as members of the Board of Directors of the Company.

After thorough discussion and in accordance with articles 12.7 and 14.2 of the Company's Articles of Association the Board of Directors

UNANIMOUSLY RESOLVED

- To appoint Mr. Massimiliano Pieri, born in Chianciano Terme, Italy on November 3, 1974, as Member of the Board of Directors with the title of Chairman of the Company, effective as of today;

- To appoint Mr. Roberto Castriota, born in Rome, Italy, on January 18, 1958, as Member of the Board of Directors with the title of Managing Director of the Company, effective as of today;

2. Adoption of Management System Guidelines and Relevant Policies and Circulars.

The Chairman reminded that the Board of Directors of Eni S.p.A. ("eni") at the meeting held on July 28, 2010 approved the guidelines of the Regulatory System that constitutes a part of the corporate governance system, the organizational structure and the internal control system of the company and the Group.

The Regulatory System is one of the instruments by which eni exerts its management and co-ordination activity vis-à-vis the Italian and foreign Subsidiaries.

The objective of the Regulatory System is to rationalize and make more effective the body of documents governing corporate operations, as well as address changes in the internal organization and developments in every regulatory context in which eni operates;

This Regulatory System is structured into four hierarchical levels, each consisting of a kind of regulatory instrument:

- First level: Policies;
- Second level: Management System Guidelines;
- Third level: Procedures;
- Fourth level: Operating Instructions.

Policies define the principles and mandatory rules of general practice which shall inspire all the activities performed by eni, in order to ensure the achievement of corporate targets, taking into account risks and opportunities. Policies apply to eni and its Subsidiaries, following the implementation, by the respective Board of Directors of each controlled company;
Management System Guidelines (hereinafter "MSGs") are eni's direction, co-ordination and control instruments towards its departments and Subsidiaries; MSGs apply to eni and its Subsidiaries, following the implementation, by the respective Board of Directors of each controlled company, of a reasoned resolution within the term indicated, from time to time, in each MSG. MSGs are divided as follows:
- **Compliance MSGs and Governance MSGs**, which define, for each matter of compliance and governance, reference rules aiming at ensuring the abidance of law, regulations or rules of conduct, identifying roles, business behaviors, information flows, control principles and/or standards. MSGs set out the scope of their application and derogation. MSGs are placed across processes and identify control standards to be implemented in the Process MSG;
- **Process MSGs**, which define, for each corporate process, the guidelines aiming at an adequate management of the process of reference, identifying roles, business behaviors, information flows and control principles;

Procedures, which define the organizational practices by which the company's business activities shall be run. The Procedures describe the tasks and responsibilities of the managers in charge of the organization, the style of management and control and the communication flows. Procedures regulate local operations also to achieve the targets of compliance with local law. Their content is defined in accordance with Policies and MSGs, as implemented by the Company;
Operating instructions, which define, in detail, the organizational practices with reference to a specific function/business unit/ professional area.

The following Policies were issued by eni and need to be considered and, if thought fit, adopted by the Company:

"Our people", which deals with the importance of human factor, plurality of cultures, valuing people, knowledge system and training, remuneration, internal communication and organizational health;
"Our partner of the value chain", which deals with enhancing the value of long-term business relationships, customer's satisfaction, selection of partners in the value chain and competition;
"Global Compliance" which deals with compliance, compliance rules' efficacy and their continuous improvement;
"Corporate Governance" which deals with integrity and transparency, practice of excellence, control system, management and co-ordination;
"Operational Excellence", which refers to the constant and systematic commitment to operational excellence, as a basic element of eni culture, as a fundamental value in maintaining a competitive advantage and to ensure a continuous focus on health and safety and environmental protection;
"Information Management", which refers to the fundamental role of information, including data and data processing, in managing the activities and achieving corporate objectives;
"Our institutional partners" which refers to the importance of building relations with institutional partners with a view to optimizing such relations over the long term;
"Our Tangible and Intangible Assets", which identifies the quality and value assets (such as industrial, financial, intellectual, knowledge and organisational resources) and that are key to the success of the organization;
"Sustainability", which describes eni Group's sustainability model, i.e. to operate in a manner that creates value for stakeholders, using resources so as to not compromise future generations, whilst respecting people, the environment and the society as a whole;
"The Integrity in our Operations", which relates to the organisation's culture of integrity in the performance of its activities, by giving top priority to the safeguard of people, environment, partners and assets;

The Board of Directors of eni in the aforementioned Meeting, entrusted its Managing Director with the implementation of the Regulatory System guidelines, by issuing the respective MSG. Consequently, on October 5, 2010 eni issued the MSG *"Regulatory System"* by which the Managing Director of eni plans and achieves the management process of the Regulatory System and supervises on its functioning.

It was then reported that the following additional MSGs have been issued by Eni S.p.A. and needed to be considered and, if thought fit, adopted by the Company:

-***"Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties"***, along with Annexes A and B, which establishes the principles and rules to which eni and its subsidiaries must adhere in order to ensure transparency and substantial and procedural fairness of transactions with related parties and with parties that are of interest to eni's **directors and statutory auditors, carried out by eni itself or its subsidiaries;**
- "***Human Resources***", along with Annexes A, B, C, D and E which applies to the human resources department of eni and its direct and indirect subsidiaries, both in Italy and abroad. The aforementioned MSG defines the principles, objectives and rules of conduct for the "human resources" process, regulates human resource management sub-process stages and activities, while defining the rules of conduct and the principles to be complied with in carrying out the activities, and finally identifies the roles and responsibilities of the corporate departments involved;

- ***"Sales Process"***, along with Annexes A, which applies to the sales department of eni and its direct and indirect subsidiaries, both in Italy and abroad. The aforementioned MSG defines the underlying principles of the sales process; it sets out the roles and responsibilities of the individuals involved in the sales process and also regulates the process stages and activities;
- ***"Administration and Financial Reporting"***, along with Annexes A, B, C, D , E, F and G which applies to the administrative departments of eni and its direct and indirectly subsidiaries, both in Italy and abroad. The aforementioned MSG defines the guidelines for the administrative activities and the procedures to be followed for the preparation of the financial report, including the relative rules and implementation tools;
- ***"Legal"***, along with Annexes A, B, C, D , and E Rev 2, which identifies the reference criteria for the legal assistance provided to eni and for the management of legal matters/files ruling the operating procedures for the procurement of legal services and for the effective internal monitoring and control of legal activities, as well as the channels of the information flows from and towards the Function that controls the legal process of eni;
- ***"ICT Process"***, along with Annexes A, B, C, D, which defines the principles and the rules of conduct in the ICT process, with specific reference to the following ICT management sub-processes: demand management; project development; application management; infrastructure management; information system government;
- ***"Technology Research and Development"***, along with Annexes A, which aims at: identifying and regulating the phases and activities concerning the technological research and development process; defining the behavioral rules and principles that must be observed when carrying out the activities herein described; establishing the roles and macro-responsibilities of the main subjects involved;
- ***"Exploration"***, along with Annexes A, which regulates phases and activities of the exploration process and establishes roles and responsibilities of the main parties involved in the exploration process;
- ***"Maintenance"***, along with Annexes A, which identifies a set of guidelines that are commonly shared throughout eni for maintenance activities;
- ***"Material Management"***, along with Annexes A, which defines the common guidelines to eni with respect to the management of technical materials (e.g. sundry materials, spare parts, pipings, casings, wellheads, chemicals, materials pertinent to the health, safety and environmental area) used both for operational management and for investments;
- ***"Identity Management"***, along with Annexes A, B and C, which regulates the phases and activities of the identity management process, from the governance of the positioning to the management of brand portfolio from the definition of the strategy to the monitoring of the initiatives that have been realized;
- ***"Anti-Corruption"***, along with Annexes A, B,C, D and E which provides a systematic framework to the long-established anti-corruption related regulations that eni has designed and implemented over time;
- ***"Antitrust Code"***, which (i) ensures that the antitrust rules are complied with in the countries in which eni operates, by enacting appropriate directives for eni personnel who act within their relevant corporate function, (ii) increases awareness of the importance of antitrust laws in business activities, (iii) provides a practical guide as regards the actions, behaviors or omissions that comply with, or infringe, antitrust laws, (iv) and enhances the efforts of eni personnel to refrain from activities or behavior capable of restricting or limiting competition in the market;
- ***"Tax"***, along with Annexes A, B, C, D, E, and F issued on 6 December 2011, which is meant to ensure (i) the correct calculations in various jurisdictions where the eni group performs its activities, ii) the use of channels provided by national or international laws to prevent or reduce judicial and economic double taxation; iii) the prevention of potential disputes with tax authorities through the use of tools provided, including a transparent and accurate tax compliance. The MSG also aims at i) guaranteeing that activities relating to tax processes are carried out with due diligence, professionalism, transparency, honesty and in full respect of Anti-Corruption Laws

and any other applicable laws and regulations, the Code of Ethics, Model 231 (as applicable) and eni group Anti-Corruption Regulations; and ii) establishing the roles and responsibilities of the persons involved in said tax processes.

"Energy and Environmental Industrial Project Development", issued on December 23, 2011, along with Annex A, which objective is to identify and regulate phases, areas and activities related to the development process, establish roles and macro responsibilities of the main parties involved in said process, and establish rules and principles to be observed in performing the relevant activities.

"Investor Relations", issued on November 23, 2011, along with Annex A, which objective is to regulate phases and activities of the investor relation process, from the definition of the strategy to controlling and reporting activities, establishing roles and responsibilities of the main parties involved in the investor relations process.

"Finance", issued on February 13, 2012, along with Annexes A and B, which objective is to discipline eni's centralized finance model, to govern the phases and activities of the finance process and to define roles and responsibilities of those involved in the finance process;

"HSE" issued on December 13, 2011, along with Annexes A-Rev2 , B, C Rev. 2, D, E, E-A, E-B, F, G,H, H-A, H-B, I, S-A and J and all relevant Appendixes, which objective is to define the reference principles of the HSE process , to regulate the phases and activities of the sub-processes that concern the HSE process and to identify the roles and responsibility of the various subjects involved in the HSE process;

"Security" issued on December 5, 2011, along with Annexes A, B and C, which objective is to define the reference principles of the security process, to regulate the phases and activities of the sub-processes regarding the security process and to identify the roles and responsibility of the various subjects involved in the security process;

"Eni's internal control system over financial reporting", issued on June 4, 2012, along with Annexes A, B, C and relevant Appendixes which objective is to define policies and methodologies for the establishment and ongoing maintenance of the internal control system over eni's financial reporting, and for the evaluation of its operational effectiveness. The scope is to establish the roles and responsibilities of the parties involved in setting up, maintaining and evaluating the operational effectiveness of the internal control system over financial reporting.

"Code of commercial practices and advertising", issued on June 20, 2012, which objective is to ensure that fair commercial practices are adopted and that the laws in the various countries in which eni operates, are abided by and to provide adequate guidelines to the eni personnel that works in the relevant business processes.

"Planning & Control" issued on May 28, 2012, along with Annexes A,B,C,D,E,F and G which main objective is to identify and regulate the phases, activities, information flows and main controlling activities that are necessary for an adequate management of the planning and control process and of the inherent risks, and to establish roles and responsibilities of the main parties involved in the planning and control process.

"Revision n. 2 to MSG Procurement", issued on July 27, 2012, along with Annex A which main objective is to regulate steps and activities of the procurement process, such as procurement planning, bid requests, contract award and post-award contract management, to establish roles and responsibilities of the main parties involved in the procurement process and to define general rules for key activities that cut across the procurement process, such as vendor management, procurement reporting and control and document management.

" Insurance", issued on July 30, 2012, along with Annex A, Annex B, Annex C and Annex D which main objective is (i) to regulate /define the stages, activities, data flows and main controls of the insurance process (ii) to define roles and responsibilities of key players involved in the insurance process (iii) to define the reference principles for the insurance process.

" Portfolio Management & Trading", issued on July 23, 2012, along with Annex A which main objective is to regulate the Portfolio Management & Trading process, sub-processes, phases and activities, such as Mid Term Planning, Trading on Forward Market, Operational Optimization,

Counterparties, Products and Master Data Management, Deal Execution & Risk Monitoring, Trading Operations, Administrative Accounting Management and to establish the roles and responsibilities of the main subjects involved in the Portfolio Management & Trading process.

"External communication", issued on September 11, 2012, along with Annex A which main objective is (i) to identify and regulate the phases, activities, information flows and main controls necessary for proper management of the external communication process and related risks and (ii) to establish roles and macro-responsibilities of the main subjects involved in the external communication process.

"MSG Government Affairs", issued on October 3, 2012, along with Annex A, which main objective is (i) to identify and regulate the phases, activities, information flows and main controls necessary for proper management of institutional relations and related risks and (ii) to establish roles and macro-responsibilities of the main subjects involved in the institutional relations process.

"MSG Market Abuse", issued on November 6, 2012, along with Annex A, B,C and D which main objective is to ensure compliance with the provisions of the law, the regulatory systems and self-regulatory system, to protect shareholders and investors with the aim of prohibiting operations harmful to their interests via the exploitation of information asymmetry or via the disclosure of incorrect or misleading information, and to protect the Company, in respect of possible liability incurred by the Company for offences committed by individuals associated with the Company.

"Rev. 2 Composition of the Watch Structures and execution of the activities of their competence in support of eni subsidiaries" issued on December 11, 2012, along with Annex A and B which main objective is to identify (i) the criteria for the determination of the composition of the Watch Structures and of the relative Members, and (ii) the guidelines for the performance of the activities falling within the remits of each of the above-quoted Watch Structures, notwithstanding the various independent powers of initiative and control.

"MSG Services for Eni's community", issued on November 22, 2012, along with Annex A which applies to the function responsible for the "services for eni's community" of eni S.p.A., represented by the special purpose entity Eni Servizi S.p.A., and of Eni's Subsidiaries both in Italy and abroad, to the Company's functions responsible for coordinating services for Eni's community and to Eni's personnel involved in the same process. The main objective of the above mentioned MSG is (i) to identify and regulate the phases, activities, information flows and main controls that are necessary to adequately manage the services for Eni's community process and its related risks and (ii) to establish roles and responsibilities of the main parties involved in the services for Eni's community process;

"MSG Logistic of raw materials and products" issued on December 3, 2012, along with Annex A which applies to the logistics function of Eni S.p.A. and its directly and indirectly controlled companies, to the people involved in the logistics of raw materials and products process and to the logistics activities concerning raw materials, semi-worked materials, finished products and utilities (e.g. demineralised water, clarified water, oil, gas, electricity). The main objective of the above mentioned MSG is (i) to establish the roles and responsibilities of the main subjects involved in the logistics of raw materials and products process and (ii) to regulate the phases and activities of the logistics of raw materials and products process, from the logistics strategy definition phase, to the inbound logistics, to the internal and outbound logistics, and finishing with the performance monitoring and analysis phase;

"MSG Operations", issued on December 6, 2012, along with Annex A which applies to the operations functions in the industrial, energy and environmental field, related to assets in the upstream, midstream and downstream sectors of Eni S.p.A. and its direct and indirect subsidiaries in Italy and abroad and to all personnel involved in the operations process. The main objective of the above mentioned MSG is to identify and regulate the phases, areas and activities of the operation processes, establish the roles and overall responsibilities of the main parties involved and define the rules of conduct and principles to be observed during the activities described;

After careful consideration and in compliance with eni rules and principles, it is recommended that the Polices and MSGs described above be adopted by the Company. Such recommendation is compliant with the main objective of the new normative system, which is to rationalize and to render more effective the structure of the documents which regulates operations in the Company but also to answer more easily to the internal organizational changes and to the evolution of the normative contexts in which eni and its subsidiaries operate.

Furthermore eni issued the following Circulars ("the Circulars"), relating to new guidelines on anti-bribery compliance and ancillary regulations on brokerage agreements and joint venture agreements:

- Circular No. 414 "Non-profit Initiatives", dated August 6, 2010, which purpose is to govern the procedures for preparing, approving and authorising budgets related to Non-profit Initiatives, as well as the process for authorising and implementing each of these Non-profit Initiatives;
- Circular No. 415 "Request, authorisation, stipulation and management of sponsorship contract", dated August 6, 2010, which purpose is to regulate the procedures to request, authorize, stipulate and manage sponsorship contracts;
- Circular No. 419 "Standard contractual clauses concerning the administrative liability of the company deriving from criminal offences", dated September 27, 2010 which states that all attorneys shall include in contracts to be signed a specific clause on "Administrative Liability" within the contractual relations with specific parties.

Eni has also issued the additional Anti Corruption Ancillary Procedures named "Business travel and offsite service- managerial personnel" and "Business travel and offsite service – non-managerial personnel", constituting best practices and a model of reference for all eni Companies.

It is in the interest of the Company to adopt those regulations in order to optimize the compliance with the anti-bribery laws.

After through discussion the Board of Directors

UNANIMOUSLY RESOLVED

- To acknowledge and adopt the Policies named ***"Our people", "Our partners of the value chain", "Global Compliance", "Corporate Governance", "Operational Excellence", "Information Management", "Our institutional partners" "Our Tangible and Intangible Assets", "Sustainability", "The Integrity in our Operations"***, (Attached as Annex "A");

- To acknowledge and adopt the Management System Guidelines named ***"Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties", "Human Resources", "Sales Process", "Administration and Financial Reporting", "Legal", "ICT Process", "Technology Research and Development", "Exploration", "Maintenance", "Material Management", "Identity Management", "Anti-Corruption", "Antitrust Code", "Tax", "Energy and Environmental Industrial Project Development", "Investor Relations, "Finance", "HSE", "Security", "Eni's internal control system over financial reporting", "Code of commercial practices and advertising", "Planning & Control", "Revision n. 2 to MSG Procurement", "Insurance", "Portfolio Management & Trading", "External communication", "MSG Government Affairs", "MSG Market Abuse", "Rev. 2 Composition of the Watch Structures and execution of the activities of their competence in support of eni subsidiaries" "MSG Services for Eni's***

community", "MSG Logistic of raw materials and products", "MSG Operations", including all eventual related annexes, (Attached as Annex "B");

- To entrust the Managing Director of the Company with the issuance and dissemination as the Company's regulatory system and, to prepare any prescriptive, informative and organizational instruments, if necessary, for the complete and timely implementation of the provisions contained therein, as soon as practicable;

- To adopt the following regulations attached to these Minutes as Annex "C":

  (1) Circular 414 "Non-profit Initiatives; (2) Circular 415 "Request, authorisation, stipulation and management of sponsorship contract"; (3) Circular 419 "Standard contractual clauses concerning the administrative liability of the company deriving from criminal offences"; (4) "Business travel and offsite service- managerial personnel"; (5)"Business travel and offsite service – non-managerial personnel";

- That for the purposes of giving effect to the resolution above, the Managing Director of the Company is hereby authorised, empowered and directed, in the name and on behalf of the Company, to implement the regulatory, reporting and organisational instruments necessary to ensure the complete and accurate adoption of the provisions set out therein and to execute and deliver all instruments, or other documents, and to take all actions as may be required.

The aforementioned MSGs, Policies and Procedures shall be sent for information to the Company's Watch Structure, if any.

3. **Approval of Service Agreement with Eni International B.V.**

The Managing Director informed the Board that Eni International B.V. (EIBV), the Sole Shareholder of the Company, has the know how to act as an independent contractor, providing certain administrative services to its subsidiaries.

The Company has proposed EIBV to issue a Service Agreement between both parties which allows the request of services to EIBV, *inter alia*:

- Corporate Affairs Services;
- Financial Services;
- Legal Services;
- Contract Management Services;

as described in the draft contract, attached as *Annex B,* which shall become effective on February 18, 2013 and remain in effect until February 18, 2016 after which it shall be deemed automatically renewed for an equal period with a maximum duration of six years.

After thorough discussion the Board of Directors

UNANIMOUSLY RESOLVED

- To approve the execution of the aforementioned Service Agreement with Eni International B.V. effective as of May 13, 2013, and in effect until May 13, 2016 substantially in the form of the draft attached as Annex D, after which it shall be

deemed automatically renewed for an equal period with a maximum duration of six years, and any subsequent amendments as may be reasonably necessary or desirable to achieve the full intent and purpose of the Service Agreement in accordance with Eni International B.V. directives and applicable laws and any subsequent development thereof;

- to empower each board member, severally, to execute the aforesaid Service Agreement as required therein and to execute any subsequent amendments as they may deem reasonably necessary or desirable to achieve the full intent and purpose of the Service Agreement.

The Chairman of the Meeting made reference to item 2 of the Agenda:

4. Approval of Service Agreement with Eni S.p.A.

The Chairman informed the Board that Eni S.p.A ("ENI"), an affiliate of the Company, has the know-how and technology in respect to petroleum operations which are easily and efficiently available to its affiliates.

ENI renders the aforesaid assistance to its affiliates through a standard Service Agreement, (draft attached as Annex E).

It is in the Company's interest to enter into a similar Service Agreement with ENI, pursuant to which ENI provides the Company with specific services such as Exploration and Production Business Support Coordination Services, Expatriates Support Assistance Services, Secondment on a long term basis of Eni Staff, Guest Services.

After thorough discussion, on the Chairman's proposal, the Board of Directors

UNANIMOUSLY RESOLVED

- to empower the Managing Director of the Company and any of his proxies to propose to Eni S.p.A. to enter into a Service Agreement, and evaluate, amend and, if thought fit, eventually execute a Service Agreement with Eni S.p.A.,

- to empower the Chairman and the Managing Director, severally, to execute any subsequent amendments as may be reasonably necessary or desirable to achieve the full intent and purpose of the Service Agreement in accordance with Eni S.p.A. directives and applicable laws and any subsequent development thereof.

The Chairman of the Meeting made reference to item 3 of the Agenda:

5. **Any other business.**

5.1 Letter of Interest for offshore bid round 2013

The Chairman informed the Board regarding the intention of the Company in taking part to the First Myanmar Offshore Bidding Round 2013.

After discussion, the Board of Directors

UNANIMOUSLY RESOLVED

- To give mandate to the Managing Director to execute, in the name and on behalf of the Company, the relevant Letter of Interest, draft of which is attached to these minutes as *Annex F.*

There being no further business to discuss, the Meeting ended at 16.00 with the Chairman of the Meeting and Secretary reading and signing these Minutes.

Massimiliano Pieri
Chairman of the Meeting

Elena Perotti
Secretary of the Meeting

LOYENS & LOEFF

Z/ND/40058886/dms 13800932

STATEMENT

The undersigned:

Pieternel Kouwenhoven, as deputy of Dominique François Margaretha Maria Zaman, civil law notary, officiating in Rotterdam, the Netherlands,

does hereby certify:

that the attached document is a true photostatic copy of the original document, which has been shown to her.

This statement may only be relied upon on the express condition that any issues of interpretation or liability thereunder will be governed by Dutch law and be brought exclusively before a Dutch Court and is subject to the General Terms and Conditions of Loyens & Loeff N.V. (lawyers, tax advisors and civil law notaries)[1] which include a limitation of liability clause.

Signed in Rotterdam, the Netherlands, on 17 May 2013.

P. Kouwenhoven

Prof. mr. D.F.M.M. ZAMAN * NOTARIS TE ROTTERDAM

[1] These conditions were deposited with the Registry of the Rotterdam District Court on 1 July 2009 under number 43/2009 and can be found at http://www.loyensloeff.com.

LEGALISATIE
Nr. HA RP 13.360

Gezien voor legalisatie de handtekening van
mr. P. Kouwenhoven, kandidaat-notaris
te Rotterdam
door de President van de rechtbank Rotterdam,

Rotterdam, 21 mei 2013
Coll.
E. Groeneveld

mr. R.G. de Lange-Tegelaar

MINISTERIE VAN JUSTITIE
€4.00

Gezien voor legalisatie van de handtekening
van mr R.G. de Lange - Tegelaar
President van de Rechtbank te Rotterdam
's-Gravenhage
De Minister van Justitie. 22 MEI 2013
namens de Minister.
Hoofd van de directie Bedrijfsvoering en Ondersteuning
Bestuurdepartement.
voor deze.

J. van R...

Ministerie van Buitenlandse Zaken

Gezien voor legalisatie van de handtekening
van: J. van Rijn
De minister van Buitenlandse Zaken voor deze,
Den Haag
22-MEI-13 0295 MW N. SCHILLEVOORT

LEGALISATION NO 85/2013
DATE 23 MAY 2013
CERTIFIED AT THE MYANMAR EMBASSY BRUSSELS, FOR
LEGALIZATION OF THE FOREGOING SIGNATURE OF
N. SCHILLEVOORT

KHIN OO HLAING
First Secretary
Embassy of the Republic
of the Union of Myanmar

eni international bv

eni

Annual Report 2012
Eni International B.V.

ANNUAL REPORT

eni

eni international bv

Registered Office in Amsterdam, the Netherlands
Commercial Register no.: 33.264.934
World Trade Center, Strawinskylaan 1725
1077 XX Amsterdam

BOARD OF DIRECTORS

Chairman
A. Simoni

Managing Director
R. Castriota

Director
R. Ulissi

COMPANY'S AUDITOR

Ernst & Young Accountants LLP

CONTENT

Directors' report

To the Shareholder:

We are pleased to submit the report on the activities of Eni International BV ("the Company") for the financial year 2012.

General Information

The Company acts as an intermediate holding company for Eni SpA, a fully integrated oil and gas company engaged in all aspects of the petroleum business.

The activities of the Company's investments include: (i) E&P companies engaged in exploration, development and production of oil and gas and other products; (ii) Eni Trading & Shipping BV, a company dedicated to oil trading; (iii) R&M companies involved in the refining and distribution of petroleum products; (iv) G&P companies involved in the trading of natural gas; (v) IT companies involved in services to the transportation of natural gas and (vi) financial companies represented by Eni Finance International SA, the sole vehicle within Eni which centralizes the financing activity to the benefit of the non-Italian Eni companies and Banque Eni SA.

The Company now includes the following investments:

- Exploration and Production (E&P): 61 companies in which the Company directly holds an interest.
- Refining and Marketing (R&M): 27 companies in which the Company directly holds an interest.
- Gas and Power (G&P): 12 companies in which the Company directly holds an interest.
- International Transport (IT): 4 companies in which the Company directly holds an interest.
- Financial companies: includes an interest in 2 companies, Eni Finance International SA and Banque Eni SA.

Holding activities

The transactions causing the movements in investments are detailed per area of activities hereinafter:

Disposal of shareholdings

International Transport
On February 22, 2012, the Company finalized the sale of its 5% interest in Interconnector (UK) Limited ("IUK"), which owns and operates the sub sea gas pipeline that provides a bi-directional link between the UK (Bacton) and Belgium (Zeebrugge). The transaction was part of Eni's strategy to rationalize its non-core asset portfolio at the best conditions. On August 3, 2012, the Company completed the sale of its interest in IUK, receiving an amount of KEUR 43,782 (KUSD 53,786).

Acquisition and new incorporation

Exploration & Production
In line with Eni's strategy of strengthening its position in the exploration in West Africa, the Company incorporated Eni Liberia BV on January 12, 2012. Eni Liberia BV has been used as vehicle to acquire 25% interests in the LB11, LB12 and LB14 blocks offshore Liberia on August, 2, 2012. These blocks are operated by Chevron, extents over 9,560 square kilometres and are located on the shelf and continental slope of Liberia between 0 and 3,000 meters of water depth. The joint venture is composed of Chevron (45%), Eni (25%) and Oranto (30%).

In line with Eni's strategy of expansion in the Far East, the Company incorporated Eni Vietnam BV on February 20, 2012. Eni Vietnam BV has been used as a vehicle to sign an agreement with

risEnergy and Neon Energy for two exploration blocks located offshore Vietnam, in the Song Hong and Phu Khanh basins in the Gulf of Tonkin. The Song Hong Basin is estimated to contain 0% of Vietnam's hydrocarbon resources, mainly gas, and significant discoveries have recently been recorded there. Furthermore, Eni Vietnam BV has also been used as a vehicle to sign an agreement with the Indian company Essar for the acquisition of 50% and the operatorship of exploration block 114, located offshore in Vietnam's Song Hong Basin. The block, which is approximately 5,900 square kilometres, has great potential and is located in an area where there have recently been significant exploration successes in nearby blocks.

Gas & Power
On April 12, 2012, the Company acquired from Gazprom Germania GmbH ("Gazprom") for a consideration of KCHF 6,845 (KUSD 7,465) 20% of South Stream Transport AG, a joint venture composed of Gazprom (50%), The Company (20%), EDF International S.A.S. ("EDF") (15%) and Wintershall Holding GmbH ("Wintershall") (15%). South Stream Transport AG is the company dedicated to the South Stream Project, a transnational gas pipeline project which is being developed for the purpose of diversifying the routes of natural gas supplies to European consumers and stipulating the conveyance of the blue fuel to South and Central Europe across the Black Sea. On June 5, 2012, the Shareholder resolved to increase the equity of South Stream Transport AG by an amount of KEUR 24,000, of which the Company's share was KEUR 4,800 (KUSD 6,012). The amount was paid on June 22, 2012.

On June 27, 2012 the Board of Directors of South Stream Transport AG resolved to transfer the business comprising of, among the others, all assets and contracts which are relevant for the take-over and uninterrupted continuation the Off-Shore Project, to a new legal entity named South Stream Transport BV to be incorporated in the Netherlands by the same Shareholders of South Stream Transport AG with the same shareholding ratio.

On November 13, 2012, Gazprom, The Company, EDF and Wintershall incorporated South Stream Transport BV with an issued share capital amounting to KEUR 41,198 of which the Company paid KEUR 8,240 (KUSD 10,503). On November 14, 2012 the Shareholders signed the Share Premium Contribution Agreement and subsequently contributed all the shares of South Stream Transport AG to South Stream Transport BV for a consideration of KCHF 63,641 (equal to the equity of South Stream Transport AG), of which the Company's share is KCHF 12,668 (KUSD 13,477).

On July 10, 2012 the Company incorporated Angola LNG Marketing Ltd, a joint venture composed of Sonagol (50%), Chevron (23.6%), British Petroleum (8.8%), Eni (8.8%) and Total (8.8%). Angola LNG Marketing Ltd has been formed to provide marketing and shipping services to Angola LNG Limited.

Refining & Marketing
In line with Eni's strategy of expansion in the Far East, the Company incorporated Eni Lubricants Trading (Shanghai) Co Ltd on July 9, 2012, to start trading lubricants in China. The Company paid a share capital of KEUR 5,000 (KUSD 6,046). The subsidiary will be focused on wholesale, import and export, commission agents in connection with lubricant oils, lubricating grease and preparations, basic oil for lubricating oils, petroleum jelly and other petrochemical products.

Capital Contribution

Exploration & Production
During the year, the Company resolved and fully paid capital contributions, in one or more instalments, in its 100% owned subsidiaries as follows:

Eni Iran BV for an amount of KUSD 1,400,000 to cover the otherwise negative equity and to finance, out of equity, all the expenditures up to the liquidation of the subsidiary (foreseen in 2015)

Eni Australia BV for an amount of KAUD 500,000 (KUSD 515,185) to finance, out of equity, the exploration activities and to optimize its financial position subject to a thin capitalization regime.
Eni Liberia BV for an amount of KUSD 310,000 to acquire 25% interests in the LB11, LB12 and LB14 blocks offshore Liberia and finance its exploration activities.

Eni Venezuela BV for an amount of KUSD 300,000 to close its financial loan and, therefore, to optimize its fiscal position and to finance its exploration activities and the investment programmes of its subsidiary Cardon IV.

Eni Muara Bakau BV for an amount of KUSD 130,000 to finance, out of equity, the exploration activities.

Eni Polska SP. Z.O.O. for an amount of KUSD 73,000 to finance out of equity, its shale gas exploration in Poland.

Eni Togo BV for an amount of KUSD 70,000 to finance, out of equity, the exploration activities.

Eni Ukraine Holdings BV for an amount of KUSD 58,600 to finance, out of equity, the exploration activities of its subsidiaries Pokrovskoe Petroleum BV and Zagoryanska Petroleum BV.

Eni Energy Russia BV for an amount of KUSD 20,000 to finance, out of equity, the investment programmes of its subsidiary OOO Eni Energhia.

Eni Oil Do Brasil SA for an amount of KReais 9,000 (KUSD 5,136) to finance, out of equity, its exploration activities.

Eni Bulungan BV for an amount of KUSD 3,500 to finance out of equity, the exploration activities.

IEOC Exploration BV for an amount of KUSD 3,000 to cover the otherwise negative equity following the result of the ceiling test calculated in the previous year and to finance its exploration activities.

Eni JPDA 11-106 BV for an amount of KUSD 2,100 to finance out of equity, the exploration activities.

Eni Ireland BV for an amount of KUSD 1,200 to finance out of equity the exploration activities.

Eni Vietnam BV for an amount of KUSD 1,000 to finance out of equity the exploration activities.

Eni Denmark BV for an amount of KUSD 900 to finance out of equity the exploration activities.

Moreover, the Company resolved a share premium increase to Eni Angola Production BV for an amount of KUSD 1,000,000 to close its financial loan and, therefore to optimize its fiscal position. On December 31, 2012 the amount paid by the Company is KUSD 860,000.

The Company resolved and paid the share capital increase in Tapco Petrol Boru Hatti Sanayi Ve Ticaret, a 50% owned subsidiary, for an amount of KTL 2,500 (KUSD 686) to respect the minimum legal threshold of equity. The 60% of the share capital contribution had been already paid in 2011 as advance.

Gas & Power
On July 27, 2012 the Company resolved and fully paid the share capital increase in South Stream AG, a 50% owned subsidiary, for an amount of KCHF 50 (KUSD 51) to cover the otherwise negative equity. On October 26, 2012 the shareholders resolved to put South Stream AG in liquidation. On December 31, 2012 the liquidation has not been completed yet.

Other holding activities

Exploration & Production
On February 20, 2012, South Stream BV, an inactive Gas & Power subsidiary, changed its name into Eni JPDA 11-106 BV in order to start exploration in other Australian offshore blocks.

On November 7, 2012, Eni Petrorussia BV was completely liquidated.

Gas & Power
As part of Eni SpA strategy to reorganize its presence in Belgium, on May 24, 2012 the Company sold to Eni SpA its one share in Eni Gas & Power Belgium SA for an amount of KEUR 478 (KUSD 601); on July 23, 2012 the Company acquired one share in Nuon Wind Belgium NV (now Eni Nuon Wind Belgium NV) for an amount of KEUR 17 and on December 21, 2012 the Company acquired from Eni SpA a share in Eni Gas & Power NV for an amount of KEUR 5.

On July 5, 2012, the Company received an amount of KUSD 9,492 as adjustment price related to the sale of Gas Brasiliano Distribuidora SA which had been finalized with Petrobras Gas SA (the purchaser) on July 29, 2011.

International Transport
On February 16, 2012, the Company received an amount of KEUR 708 (KUSD 933) as net adjustment price on the sale of Trans Austria Gasleitung AG, whereas the sale had been finalized with a subsidiary of Cassa Depositi e Prestiti SpA, a related company, on December 22, 2011.

On May 14, 2012, the Company received an amount of KCHF 100 (KUSD 108) as net adjustment price on the sale of Transitgas AG and Eni Gas Transport International SA as communicated by Fluxys SA on January 30, 2012. The sale of Eni Gas Transport GmbH, Transitgas AG and Eni Gas Transport International SA has been finalized on November 30, 2011.

Refining & Marketing
On April 06, 2012, Eni Trading, Shipping & Services BV was completely liquidated.

New guarantees

Exploration & Production
The Company issued three Parent Company Guarantees in favour of the National Oil Company of Liberia, covering the PSC obligations of the contractor, for a total amount not exceeding KUSD 6,500 regarding the blocks LB11, LB12, LB14.

Refining & Marketing
A Parent Company Guarantee on behalf of Eni Iberia Slu in favour of Repsol Comercial de Productos Petroliferos covering the Purchase of Petroleum Products for a total amount not exceeding KUSD 12,534.

Dividends

During 2012, the Company received KUSD 7,698,998 dividends from its equity valued participations and KUSD 336 from its other investments. During 2012, the Company received KUSD 57,000 dividends which were declared in 2011, while KUSD 200,000 declared in 2012 are not yet received.

During 2012, the Company paid a dividend to its sole shareholder Eni SpA of KUSD 6,900,000

Share capital and shareholder's equity

As at December 31, 2012, the shareholder's equity amounts to KUSD 40,188,723 (2011: KUSD 35,770,230) and is specified as follows:

(thousand US Dollars)	2012
Issued and paid-in capital	846,637
Share premium	11,486,823
Other reserves	(557,435)
Cumulative translation adjustment - investments	274,166
Retained earnings	20,098,392
Result for the year	8,040,140
	40,188,723

The increase of KUSD 4,418,493 is due to the following changes:

(thousand US Dollars)	2012
Contribution shareholder	3,100,000
Dividend distributed	(6,900,000)
Translation differences	176,478
Other	1,875
Result of the year	8,040,140
	4,418,493

On December 21, 2012, the sole Shareholder Eni SpA approved a share premium contribution to the Company of an amount of KUSD 3,100,000 which was fully paid on December 27, 2012.

The authorised share capital consists of 250,000,000 ordinary shares of EUR 5 nominal value each. On December 31, 2012, 128,336,685 ordinary shares have been issued and fully paid. The share capital of KEUR 641,683 is translated into US dollars using the year-end exchange rate and amounts to KUSD 846,637 as at December 31, 2012 (KUSD 830,274 at December 31, 2011).

As at December 31, 2012, the shares are fully owned by Eni SpA.

Personnel and organization

The average number of Company employees as at December 31, 2012 was 42 (2011: 42) of which 2 employees seconded at other Eni Group companies.

The general and administrative expenses, net of the revenues for services rendered, amount to KUSD 2,496 (2011: KUSD 3,196).

Result for the period

The financial statements for the period show a net profit of KUSD 8,040,140 (2011: KUSD 8,823,464).

The decrease of KUSD 783,324 in the result is due to:

(thousand US Dollars)

Lower gain in disposal of investments	(1,508,522)
Higher result of the shareholdings valued at net asset value	787,544
Higher corporate income tax and other taxes	(46,345)
Lower operating income, net	(5,045)
Lower financial income net	(6,187)
Lower dividends from other investments	(4,769)
	(783,324)

Future developments

The Company will continue its holding and financing activities.

Financial Risk Management

Financial risk management is disclosed in Note 3 of the financial statements.

Subsequent Events

Following the subsequent events not previously described.

On January 3, 2013, the Company incorporated Eni Kenya BV which will explore blocks: L-21, L-23 and L-24, thus marking the entry of Eni in the country. The blocks are located in the deep and ultra-deep waters of the Lamu Basin, off the coast of Kenya. The initial exploration phase of the three blocks, which will be operated by Eni with 100% participation and cover an area of more than 35,000 square kilometres, will consist of the execution of a seismic acquisition programme.

On January 25, 2013, the sole shareholder resolved to increase the equity of Eni Vietnam BV by KUSD 19,000 to finance, out of equity, the exploration activities.

On February 8, 2013, the Company incorporated Eni Cyprus Ltd which will be operator in a consortium formed by Eni (80%) and the Korean company Kogas (20%) to explore Blocks 2, 3 and 9 located in the Cypriot deep offshore portion of the Levantine basin, which encompass an area of around 12,530 square kilometres, thus marking the entry of Eni in the Country.

On February 18, 2013, the Company incorporated Eni Mozambique LNG Holding BV, which will be the holding of midstream companies in Mozambique.

Signed by the Board of Directors in Amsterdam on March 8, 2013

A. Simoni
Chairman

R. Castriota
Managing Director

R. Ulissi
Director

Financial statements

Balance sheet as at December 31, 2012

(before appropriation of net result) (thousand US Dollars)	Note	Dec. 31, 2012	Dec. 31, 2011
ASSETS			
Fixed assets			
Tangible fixed assets	4	290	223
Shareholdings	5	40,229,113	36,544,369
Deferred tax assets	6	22,740	42,374
Total fixed assets		**40,252,143**	**36,586,966**
Current assets			
Accounts receivable	7	228,035	95,455
Other current assets	8	72,166	72,537
Cash and deposits	9	310,959	285,768
Total current assets		**611,160**	**453,760**
TOTAL ASSETS		**40,863,303**	**37,040,726**
SHAREHOLDER'S EQUITY	10		
Share capital		846,637	830,274
Share premium		11,486,823	8,386,823
Other reserves		(243,914)	(542,947)
Currency translation differences		274,166	97,688
Retained earnings		19,784,871	18,174,928
Result for the year		8,040,140	8,823,464
TOTAL SHAREHOLDER'S EQUITY		**40,188,723**	**35,770,230**
Long term liabilities			
Provision for Shareholdings	5	670,911	1,236,955
Total long term liabilities		**670,911**	**1,236,955**
Current liabilities			
Financial payable	11	0	1,881
Accounts payable to related parties	12	552	26,168
Other taxes and social security contributions		273	230
Accounts payable and accrued liabilities		2,844	5,262
Total current liabilities		**3,669**	**33,541**
TOTAL LIABILITIES		**674,580**	**1,270,496**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		**40,863,303**	**37,040,727**

Profit & Loss account for the year 2012

(thousand US Dollars)	Note	2012	2011
Financial income - net			
Gain from shareholdings stated at net asset value	5	8,019,286	7,231,742
Gain on disposal of investments	5	30,823	1,539,345
Dividends from other investments		336	5,105
Interest and other net financial income	13	1,675	7,862
Total financial income - net		**8,052,120**	**8,784,054**
Operating income (expenses)			
General and administrative expenses	21	(2,496)	(3,196)
Depreciation of fixed assets		(120)	(116)
Allocation to risk fund		(175)	(1,238)
Other income (expenses) net	14	19,458	26,262
Total operating income (expenses)		**16,667**	**21,712**
Result before taxes		**8,068,787**	**8,805,766**
Taxation	22	**(28,647)**	**17,698**
Net result		**8,040,140**	**8,823,464**

Notes to the Company's financial statements

1. General

Group structure and activities

Eni International BV ("the Company") is the holding company of Eni SpA ("Eni"), based in Rome, Italy, the sole shareholder and the direct Parent Company. Eni constitutes a fully integrated oil and gas company, engaged in all aspects of the petroleum business.

The activities of the Company's investments include: (i) E&P companies engaged in exploration, development and production of oil and gas and other products; (ii) Eni Trading & Shipping BV, a company dedicated to oil trading; (iii) R&M companies involved in the refining and distribution of petroleum products; (iv) G&P companies involved in the trading of natural gas; (v) IT companies involved in services to the transportation of natural gas and (vi) financial companies represented by Eni Finance International SA, the sole vehicle within Eni which centralizes the financing activity to the benefit of the non-Italian Eni companies and Banque Eni SA.

Reporting currency
Since the US dollar is considered the functional currency, the accompanying financial statements are presented in thousands of US dollars (KUSD).

Related party transactions
In the normal course of business the majority of transactions are with related parties.

Cash flow statements
In conformity with the exemption provisions of the Guidelines for Annual Reporting in the Netherlands, a cash flow statement is not presented. Accordingly, the consolidated accounts of Eni for the year ended December 31, 2012, which include a cash flow statement, are filed in Rome, Italy. A copy is filed at the Trade Register, Amsterdam, the Netherlands.

Consolidation
The Company acts as an intermediate holding company for Eni SpA. In accordance with Article 408, Book 2 of the Dutch Civil Code, presentation of the consolidated financial statements has been omitted. Financial information of the Company and its participated companies are included in the financial statements of Eni, whose accounts are filed in Rome, Italy. A copy is filed at the Trade Register, Amsterdam, the Netherlands.

2. Significant accounting principles

Basis of preparation

The financial statements were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. Adjustments are made to conform to any dissimilar material accounting policies that may exist.

Principles of valuation of assets and liabilities

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or at fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

Comparison with previous year

The principles of valuation and determination of results remain unchanged compared to the prior year.

Foreign currency translation

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate. The resulting exchange differences are recorded in the income statement.

The equity of the companies expressed in foreign currencies is translated into US dollars at the year-end exchange rates, whereas the profit and loss accounts are translated at annual average rates. The exchange results are credited to or charged against "cumulative currency translation adjustment" reserve.

The exchange rates used for conversion in USD is as followed:

	2012		2011	
	Average	Dec. 31	Average	Dec. 31
Currency				
Euro (EUR)	1.28479	1.31940	1.39196	1.29390
Pound sterling (GBP)	1.58446	1.61671	1.60385	1.54902
Norwegian krone (NOK)	0.17188	0.17955	0.17861	0.16687

Tangible fixed assets

Tangible fixed assets, which mainly represent office furniture and equipment, are stated at cost minus accumulated depreciation. Depreciation is calculated using the straight line method, based on their estimated useful lives, which vary from three to seven years.

Financial fixed assets

Shareholdings in subsidiaries and other participating interest in which the Company exercises significant influence are stated at net asset value. The Company is considered to exercise significant influence if it holds at least 20% of the voting rights.

Net asset value is calculated using the accounting policies applied in these financial statements.

Participating interest with an equity deficit are carried at nil. A provision is formed if and when the Company is fully liable for the debts of the participating interest, or has the firm intention to allow the participating interest to pay its debts. Such a provision is presented under provision for Shareholdings.

Participating interests acquired are initially measured at the net equity of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation.

Participating interests in which no significant influence can be exercised are stated at acquisition price. If an asset qualifies as impaired, it is measured at its impaired value; any write-offs are disclosed in the profit and loss account.

Accounts receivable and payable

Accounts receivable and payable are stated at face value. The value of receivables is adjusted downwards to the estimated realisable value by means of an appropriate provision for bad debts.

Cash and cash equivalents

Cash and cash equivalent include cash in hand, deposits held at call with related parties with original maturities of three months or less and bank overdrafts.

Share premium

Amounts paid on issued shares in excess of the par value of these shares have been presented as share premium.

Recognition of income and expenses

Income and expenses are recognised on an accrual basis and are allocated to the accounting period to which they relate.

Dividend income

Dividend income is recognized when declared.

Income taxes

Current income taxes are determined on the basis of the estimated taxable income; the estimated liability is recognized in the item "Income tax payable". Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

The Company takes part in a fiscal unity called Eni Exploration & Production Holding BV. The fiscal unit is headed by Eni International BV. The corporate income tax is calculated within the fiscal unity on a notional stand-alone basis with the resulting tax position presented as a payable or receivable with the head of the fiscal unit.

Deferred income tax is provided when fiscal losses reported from previous years are probable to be offset against incomes in future years. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are recorded under non-current assets and liabilities and are offset if referring to the same kind of taxes and the same fiscal authority. The balance of the offset, if positive, is recognized in the item "Deferred tax assets" and, if negative, in the item "Deferred tax liabilities".

3. Financial Risks

Currency risk

The Company collects dividends declared by its shareholdings and paid in USD. Other currencies involved are the NOK, GBP, EUR, CHF and other minor currencies. Therefore the Company is subject to currency risk. Such risks can be offset, partly, by correct risk management activities. Given the unpredictability of financial markets, management seeks to minimize potential adverse effects on the Company's financial performance. The currency risk is limited and where necessary, hedging is required.

Interest rate risk

The Company is exposed to interest rate risk on the interest-bearing receivables (mainly taken up in assets and cash and deposits at banks) and interest-bearing liabilities. The Company has not entered into any derivatives' contracts to hedge the interest risk on receivables.

Credit risk

Almost the total creditors are represented by related parties with a strong financial position.

The Company has a credit facility with the related party Eni Finance International SA. At the end of 2012 the credit facility was not utilized.

4. Tangible fixed assets

The movements in tangible fixed assets, which represent office furniture and equipment, during the year, were as follows:

(thousand US Dollars)	Office furniture and equipment	Tangible fixed assets
At January 1, 2011		
Historical cost	1,955	1,955
Accumulated amortization and impairment	(1,672)	(1,672)
Net book amount	**283**	**283**
Year ended December 31, 2011		
Opening net book amount	283	283
Additions	56	56
Disposal	0	0
Depreciation and amortisation	(116)	(116)
Closing net book amount	**223**	**223**
At December 31, 2011		
Historical cost	2,011	2,011
Accumulated amortization and impairment	(1,788)	(1,788)
Net book amount	**223**	**223**
Year ended December 31, 2012		
Opening net book amount	223	223
Additions	187	187
Depreciation and amortisation	(120)	(120)
Closing net book amount	**290**	**290**
At December 31, 2012		
Historical cost	2,198	2,198
Accumulated amortization and impairment	(1,908)	(1,908)
Net book amount	**290**	**290**

5. Shareholdings

The shareholdings with an equity deficit for which the Company is fully liable for the debt and has full intention to allow the participating interest to pay its debt are presented as provision.

As at December 31, 2012, the net shareholdings amounts to KUSD 39,558,202 (2011: KUSD 35,307,414) which is an increase of KUSD 4,250,788. The changes in the shareholdings are listed below:

(thousand US Dollars)	Shareholdings	Provision Shareholdings	Total
Book value at January 1	**36,544,369**	**(1,236,955)**	**35,307,414**
New incorporations and/or acquisitions	24,095	-	24,095
Sales and liquidation of investments, net	(32,769)	-	(32,769)
Capital increase	2,062,433	1,697,499	3,759,932
Capital refund	(403)	-	(403)
Exchange differences	180,673	(4,195)	176,478
Result in participations	8,697,021	(677,735)	8,019,286
Dividends received	(7,698,998)	-	(7,698,998)
Other	3,161	6	3,167
Transfer to and from provision shareholdings	449,531	(449,531)	-
Total	**40,229,113**	**(670,911)**	**39,558,202**

New incorporations and acquisitions relate to South Stream Transport BV for KUSD 17,968, Eni Lubricants Trading (Shanghai) Co. Ltd. for KUSD 6,046, Eni Vietnam BV for KUSD 27, Eni Liberia BV for KUSD 26, Eni Wind Belgium NV for KUSD 21 and Eni Gas& Power NV for KUSD 7.

Sales and liquidation of investments relate to Interconnector Ltd. for KUSD 31,877, Eni G&P Belgium SA for KUSD 633, Eni Petrorussia BV for KUSD 251 and Eni Trading & Shipping Services BV for KUSD 8.

The following is a segment report by geographic area and activity, presenting the result in participations valued at net asset value and dividends received during the year.

Result in participations valued at net asset value:

(thousand US Dollars)	Europe	Africa	Asia	America	Oceania	TOTAL
Financial Services	193,158	-	-	-	-	**193,158**
E&P	487,474	5,410,356	1,538,158	7,956	124,453	**7,568,397**
G&P	(234,480)	316,980	70,813	-	-	**153,313**
International Transport	1,278	1,840	-	-	-	**3,118**
R&M	95,805	(1,366)	2,570	4,291	-	**101,300**
TOTAL	**543,235**	**5,727,810**	**1,611,541**	**12,247**	**124,453**	8,019,286

Dividends received:

(thousand US Dollars)	Europe	Africa	Asia	America	Oceania	TOTAL
Financial Services	195,909	-	-	-	-	**195,909**
E&P	763,278	3,972,513	1,520,000	251,720	190,000	**6,697,511**
G&P	95,513	610,000	56,919	-	-	**762,432**
International Transport	609	12	-	-	-	**621**
R&M	35,006	150	2,409	4,960	-	**42,525**
TOTAL	**1,090,315**	**4,582,675**	**1,579,328**	**256,680**	**190,000**	**7,698,998**

The "other" movement of shareholdings relate to other movements of net equity other than the participation results.

The shareholdings are listed below.

Exploration and Production (E&P) shareholdings

Name of company	Registered Office	Currency	Share capital ('000)	Company Participation Direct (%)
Agip Caspian Sea B.V.	Amsterdam	EUR	20	100
Agip Karachaganak B.V.	Amsterdam	EUR	20	100
Agip Oil Ecuador B.V.	Amsterdam	EUR	20	100
Agip Oleoducto de Crudos Pesados B.V.	Amsterdam	EUR	20	100
Eni Algeria Exploration B.V.	Amsterdam	EUR	20	100
Eni Algeria Production B.V.	Amsterdam	EUR	20	100
Eni Angola Exploration B.V.	Amsterdam	EUR	20	100
Eni Angola Production B.V.	Amsterdam	EUR	20	100
Eni Australia B.V.	Amsterdam	EUR	20	100
Eni Australia Ltd.	London	GBP	20,000	100
Eni BTC Ltd	London	GBP	34,000	100
Eni Bulungan B.V.	Amsterdam	EUR	20	100
Eni Canada Holding Ltd.	Calgary	USD	1,453,200	100
Eni China B.V.	Amsterdam	EUR	20	100
Eni Croatia B.V.	Amsterdam	EUR	20	100
Eni Denmark B.V.	Amsterdam	EUR	20	100
Eni Energy Russia B.V.	Amsterdam	EUR	20	100
Eni Exploration & Production Holding B.V.	Amsterdam	EUR	29,833	100
Eni Gas & Power Lng Australia B.V.	Amsterdam	EUR	10,000	100
Eni Ghana Exploration and Production Ltd.	Accra	GHS	75	100
Eni International (NA) NV Sarl	Luxemburg	USD	25	100
Eni Iran B.V.	Amsterdam	EUR	20	100
Eni Iraq B.V.	Amsterdam	EUR	20	100
Eni Ireland B.V.	Amsterdam	EUR	20	100
Eni JPDA 03-13 Ltd.	London	GBP	250	100
Eni JPDA 06-105 Pty Ltd.	Perth	AUD	80,831	100
Eni JPDA 11-106 BV	Amsterdam	EUR	50	100
Eni Liberia BV	Amsterdam	EUR	20	100

Exploration and Production (E&P) shareholdings (continued)

Name of company	Registered Office	Currency	Share capital ('000)	Company Participation Direct (%)
Eni Mali B.V.	Amsterdam	EUR	20	100
Eni Middle East B.V.	Amsterdam	EUR	20	100
Eni Muara Bakau B.V.	Amsterdam	EUR	20	100
Eni Norge AS	Forus	NOK	278,000	100
Eni North Africa B.V.	Amsterdam	EUR	20	100
Eni PNG Limited	Port Moresby	PGK	15,400	100
Eni Polska spółka z ograniczona opdowiedzialnoscia	Warschauw	PLN	3,600	100
Eni South China Sea Ltd. Sarl	Luxemburg	USD	20	100
Eni Togo B.V.	Amsterdam	EUR	20	100
Eni Trinidad & Tobago Ltd.	Port of Spain	TTD	1,182	100
Eni Tunisia B.V.	Amsterdam	EUR	20	100
Eni UK Limited	London	GBP	250,000	100
Eni Ukraine Holdings BV	Amsterdam	EUR	20	100
Eni Venezuela B.V.	Amsterdam	EUR	20	100
Eni Vietnam BV	Amsterdam	EUR	20	100
Eni Western Asia B.V.	Amsterdam	EUR	20	100
IEOC Exploration B.V.	Amsterdam	EUR	20	100
IEOC Production B.V.	Amsterdam	EUR	20	100
Eni Oil do Brasil S.A.	Rio de Janeiro	BRL	1,579,800	99.99999
Eni RD Congo Sprl	Kinshasa	CDF	10,000,000	99.99999
Eni Ventures Plc. (in liquidation)	London	GBP	278,050	99.99999
Nigerian Agip Exploration Ltd.	Abuja	NGN	5,000	99.99000
Eni Gabon S.A.	Libreville	XAF	7,400,000	99.95946
Eni Uganda Ltd.	Kampala	UGX	1,000	99.9
Nigerian Agip Oil Company Ltd.	Abuja	NGN	1,800	99.88889
Eni Argentina Exploración y Explotación S.A.	Buenos Aires	ARS	24,136	95.00001
Agip Energy & Natural Resources (Nigeria) Ltd.	Abuja	NGN	5,000	95
Artic Russia B.V.	Amsterdam	EUR	100	60
Tapco Petrol Boru Hatti Sanayi Ve Ticaret A.S.	Istanbul	TRL	7,500	50
Eni Petroleum Co.Inc.	Wilmington	USD	156,600	36.14304
United Gas Derivatives Company	Cairo	USD	285,000	33.33333
Eni Ukraine Llc	Kiev	UAH	42,005	0.01
Eni Congo S.A.	Brazzaville	USD	17,000	0.00012

Gas and Power (G&P) shareholdings

Name of company	Registered Office	Currency	Share capital ('000)	Company Participation Direct (%)
Eni G&P France B.V.	Amsterdam	EUR	20	100
Eni G&P Trading B.V.	Amsterdam	EUR	70	100
Eni Gas & Power Espana S.A.	Madrid	EUR	2,000	100
Eni Gas & Power GmbH	Dusseldorf	EUR	1,025	100
Blue Stream Pipeline Co. B.V.	Amsterdam	EUR	20	50
EnBW - Eni GmbH	Karlsruhe	EUR	25	50
South Stream AG. - In Liquidation	Zurich	CHF	200	50
Egyptian Int. Gas Technology Co.	Cairo	EGP	100,000	40
South Stream Transport BV	Amsterdam	EUR	41,198	20
Angola LNG Marketing Ltd.	London	GBP	1	8.8
Eni Wind Belgium N.V.	Bruxelles	EUR	333	0.3003
Eni Gas & Power N.V.	Bruxelles	EUR	413,249	0.0126123

International Transport (IT) shareholdings

Name of company	Registered Office	Currency	Share capital ('000)	Company Participation Direct (%)
Eni Gas Transport Services SA	Lugano	CHF	100	100
Scogat S.A.	Tunis	TND	200	99.85
Sergaz S.A.	Tunis	TND	99	66.66667
Norsea Gas GmbH	Emden	EUR	1,534	13.04

Refining and Marketing (R&M) shareholdings

Name of company	Registered Office	Currency	Share capital ('000)	Company Participation Direct (%)
Eni Benelux B.V.	Rotterdam	EUR	1,934	100
Eni France Sarl	Lion	EUR	56,800	100
Eni Hungaria Zrt.	Budapest	HUF	15,441,600	100
Eni Iberia SLU	Madrid	EUR	17,299	100
Eni Lubricants Trading (Shangai) Co., Ltd.	Shangai	EUR	5,000	100
Eni Slovenija doo	Ljubljana	EUR	3,796	100
Eni Trading & Shipping B.V.	Amsterdam	EUR	3,720	100
Eni USA R&M Co. Inc.	Wilmington	USD	11,000	100
Oleoduc du Rhone S.A.	Valais	CHF	7,000	100
Eni Suisse S.A.	Lausanne	CHF	102,500	99.99854
Eni Ceská Republika S.r.o.	Prague	CZK	1,511,913	99.99749
Eni Slovensko spol S.r.o.	Bratislava	EUR	36,845	99.99463
Eni Ecuador S.A.	Quito	USD	103	99.93136
OOO "Eni-Nefto"	Moscow	RUR	1,010	99.0099
Eni Romania Srl	Bucharest	RON	23,876	98.99997
Agip Lubricantes S.A. (in liquidation)	Buenos Aires	ARS	1,500	97
Eni Deutschland GmbH	Munich	EUR	90,000	89
Eni Austria GmbH	Vienna	EUR	78,500	75
Mediterranee Bitumes S.A.	Tunis	TND	1,000	34
Ceska Rafinerska A.S.	Litvinov	CZK	9,348,240	32.44472
ENEOS Italsing Pte Ltd.	Singapore	SGD	12,000	22.5
Routex B.V.	Amsterdam	EUR	68	20
Tema Lube Oil Co. Ltd.	Accra	GHS	258	12.00000
Pizo S.A. (in liquidation)	Libreville	XAF	1,500,000	10
SOGARA – Soc Gabonaise du Raf.	Port Gentil	XAF	1,200,000	2.50
PETROCA S.A. (in liquidation)	Bangui	XAF	972,000	2.29527
Eni Marketing Austria GmbH	Wien	EUR	19,622	0.00037

Other activities

Name of company	Registered Office	Currency	Share capital ('000)	Company Participation Direct (%)
Banque Eni S.A.	Brussels	EUR	50,000	99.90
Eni Finance International S.A.	Brussels	USD	2,975,036	66.38694

All the investments are accounted at net equity with exception of: Egyptian Int. Gas Technology Co., Angola LNG Marketing Ltd, North Sea Gas, Tema Lube Oil Co Ltd, Pizo SA (in liquidation), SOGARA-Soc Gabonaise du Raf and Petroca SA (in liquidation). These are accounted at cost. As at December 31, 2012, these investments represent a total book value of KUSD 10,128 (2011: KUSD 32,736).

The Company recorded the following provisions for cover of loss relates to its participations:

(thousand US Dollars)	2012	2011
Name of Company		
Eni Ghana E&P Ltd	(484,179)	(232,684)
Eni Gabon SA	(143,243)	(105,722)
Eni RD Congo Sprl	(25,673)	(15,180)
Eni Togo BV	(6,477)	-
Eni Polska Sp. Zo. O	(6,361)	-
IEOC Exploration BV	(4,101)	(3,196)
Eni Ireland BV	(874)	-
South China Sea Ltd.	(3)	-
Tapco AS	-	(12)
Eni Iran BV	-	(874,919)
Eni Muara Bakau BV	-	(927)
Eni Energy Russia BV	-	(4,287)
South Stream AG	-	(23)
Eni JPDA 11-106 BV (former South Stream BV)	-	(5)
Total Provisions	**(670,911)**	**(1,236,955)**

During the year, the gain on disposal of shareholdings amount to KUSD 30,823 (2011: KUSD 1,539,345) and are detailed as follows:

(thousand US Dollars)	Gains on Disposals
Interconnector Ltd.	21,420
Gas Brasiliano Distributora SA	9,470
Eni Trading & Shipping Services B.V.	(8)
Eni Petrorussia B.V.	(27)
Eni G&P Belgium SA	(32)
Total	**30,823**

6. Deferred tax assets

(thousand US Dollars)	Value at Dec. 31, 2012	Income Tax of the year	Release	Value at Dec. 31, 2011
Deferred tax assets	22,740	(4,665)	(14,969)	42,374
Deferred tax assets	**22,740**	**(4,665)**	**(14,969)**	**42,374**

Deferred income tax assets relate to fiscal losses of previous years which are to be recovered in the next nine years. Recovery should mainly take place via interest income and operating income, as the remaining of the Company's income is tax exempt. The higher financial and operating income which were forecasted at the end of 2011, have been revised during 2012. Therefore, the Company, in view of the results expected in the budget-plan 2013-2016, has reduced the deferred tax activated for the losses incurred in 2008 and expiring in 2017.

The total recoverable loss, as per last final corporate income tax assessment received, amounts to KUSD 192,581, which relates to the years 2004, 2005 and 2008. The amount of the recoverable loss as per 2012 tax provision is KUSD 149,913 and also relates to the years 2004, 2005 and 2008.

For KUSD 90,039 recoverable losses a deferred tax asset is recognized. For the remaining recoverable losses it is not probable these can be compensated with future fiscal profits and no deferred tax is recognized.

7. Accounts receivable

Accounts receivable consists of the following:

(thousand US Dollars)	Dec. 31, 2012	Dec. 31, 2011
Related parties	220,674	93,509
Other	7,362	1,946
	228,035	**95,455**

At the end of the year, the accounts receivable from related parties comprises the following:

(thousand US Dollars)	Dec. 31, 2012	Dec. 31, 2011
Eni Angola Exploration BV	200,016	50,000
Eni Exploration & Production Holding BV	19,460	33,917
Eni division E&P	391	-
Nigerian Agip Exploration Ltd.	137	150
Eni Adfin Spa	127	82
Eni North Africa BV	99	99
Artic Russia BV	82	-
Eni SpA Corporate	44	1
Eni Angola Production BV	15	13
Eni Vietnam BV	15	-
Eni Iran BV	13	-
Eni Trading & Shipping BV	4	10
Eni Iraq BV	3	3
Eni Iberia Slu	2	-
Eni Gas & Power GmbH	1	1
Eni Gas & Power Lng Australia	-	7,000
Eni Congo SA	-	12
Eni Gas Transport International SA	-	44
Eni Oil Holdings BV	-	1
Saipem International BV	-	3
Eni Finance International SA	-	3
CDP Gas Srl	-	916
Eni RD Congo SPRL	-	184
Eni JPDA 06-105 PteLtd.	-	129
Eni China BV	-	123
Eni Ukraine Holdings BV	-	44
Eni Togo BV	-	73
Eni Australia BV	-	13
Eni Bulungan	-	1
Other correlated subsidiaries	265	687
	220,674	**93,509**

The receivable from Eni Angola Exploration BV relates to dividend resolved in 2012 but not yet paid. The receivable from Eni Exploration & Production Holdings BV is related to the overheads (G&A) costs that Eni Congo SA is entitled to charge; the amount depends on the investments and cost incurred by the Eni Congo SA.

On January 31, 2013, Eni Angola Exploration BV has paid KUSD 100,000 of the outstanding amount receivable.

(*)The retained earnings include an amount of KUSD 59,636 and the 2012 result contains an amount of KUSD 170,452 related to result of shareholdings for which the Company can not control the dividends distribution.

The movements in other reserves relate mainly to the adjustment of the 2007 result (loss) of Eni Petrorussia BV of KUSD 315,521, booked directly in the Company's equity in 2008. With the liquidation of Eni Petrorussia BV the Company transferred the reserve to retained earnings.

The currency translation adjustments relate to the exchange differences on the investments in subsidiaries and associates amounting to KUSD 176,478 (2011: KUSD negative 281,669).

11. Financial payable

At December 31, 2012, the financial payable is KUSD nil (2011: KUSD 1.881). The amount, related to a loan from Interconnector to its shareholders, has been refunded before the sale of the participation.

12. Accounts payables to related parties

At the end of the year, the accounts payables to related parties comprise the following:

(thousand US Dollars)	Dec. 31, 2012	Dec. 31, 2011
Eni S.p.A. Divisione E&P	202	1,081
Eni S.p.A. Corporate	188	318
Eni Adfin Spa	100	0
Eni Gas Transport Services S.A.	39	20
Eni Servizi S.p.A.	20	3
Eni Trading & Shipping B.V.	3	73
Eni Oil do Brasil S.A.	-	20,381
Greenstream B.V.	-	28
Saipem International B.V.	-	35
Eni PNG Ltd	-	1,000
Eni Trinidad & Tobago Ltd.	-	3,089
Eni Finance International S.A.	-	93
Eni International Resources Ltd.	-	40
Tema Lube Oil Co. Ltd.	-	7
	552	**26,168**

13. Interest and other net financial income

Interest and other financial income amounts to KUSD 1,675 (2011: KUSD 7,862). The decrease is mainly due to less interest received on tax credits of KUSD 1,431 and less positive exchange differences of KUSD 4,784.

14. Other income (expenses) net

Other net income amounts to KUSD 19,458 (2011: KUSD 26,262) and relates to the overheads (G&A) recharged to Eni Exploration & Production Holding BV. The decrease of KUSD 6,804 is due to the lower overhead for KUSD 14,459 and minus costs for adjustment on disposal of Agip Espana for KUSD 4,877 and for 2011 credit facility indemnity to third parties of KUSD 2,778.

15. Guarantees

The Company had issued the following guarantees as at December 31, 2012:

Financial Guarantees

- To Exxon Mobil Central Europe for a nominal amount of KEUR 80,000 (KUSD 105,552) on behalf of Eni Austria GmbH.
- To Enron Capital & Trade Resources Ltd and CNR International UK Ltd for commercial trading and abandonment costs of Eni (UK) Limited for a nominal value of KUSD 325,343. The outstanding amount as at December 31, 2012 was KUSD 323,446.
- To Eni Finance International SA regarding revolving credit facilities of KUSD 85,000 to Trans Mediterranean Pipeline Co. The total outstanding amount as at December 31, 2012 was KUSD 38,750.
- To Eni SpA for guarantees issued in connection with credit lines, granted by Citibank NA to Oleoducto de Crudos Pesados (OCP) Ecuador SA. The total nominal amount, which is the Company's share of credit lines, is KUSD 4.490, of which KUSD 4,490 was outstanding as at December 31, 2012.
- To Atlantic LNG and BG Energy H. Ltd on behalf of Eni Trinidad and Tobago Ltd associated with the North Coast Marine project for a nominal value of KUSD 1,417,765.
- To Edison Gas, Sogenia SpA and Gaz de France on behalf of Eni North Africa BV associated with the Libyan project for a nominal value of KUSD 678,000.
- To Power and Water Corp. on behalf of Eni Australia BV associated with the Blacktip gas field for a nominal value of KUSD 103,792.
- To Baku–Tiblisi–Ceyhan Pipeline Company and BTC International Investment Company Co on behalf of BTC Investment Co for a nominal amount of KUSD 202,650. The outstanding amount as at December 31, 2012 was KUSD 36,138.
- To Blue Water Energy Service BV, on behalf of Eni JPDA 06-105 Pty Ltd, to cover the obligation of all the payments deriving from the PSO contract No. 20090143 dated December 23, 2009 for a nominal amount of KUSD 240,000.
- To MITGAS of MITGAS Mitteldeutsche Gasversorgung GmbH to cover the payments obligation arised under the gas sale and purchase agreement entered by Eni Gas & Power GmbH with MITGAS for a maximum nominal amount of KUSD 5,541. As at December 31, 2012, the outstanding amount was KUSD 5,541.
- To the former employees of Sudpetrol AG in respect to their pension plan, under the terms and conditions set forth in the Assignment Agreement between the Company and Eni Gas Transport International SA, for an amount of KUSD 13,848. At December 31, 2012, the outstanding amount was KUSD 13,848.
- To the National Oil Company of Liberia to cover the PSC obligations of the contractor for the blocks LB11, LB12, LB14, for a nominal value of KUSD 6,500.
- To Repsol Comercial de Productos Petroliferos covering the Purchase of Petroleum Products for a maximum nominal amount of KUSD 12,534.

The total outstanding amount of the financial guarantees amount to KUSD 2,986,356 (2011: KUSD 3,532,046).

Performance Guarantees

Several performance guarantees to third parties on behalf of the companies directly or indirectly owned by the Company for a nominal amount of KUSD 2,001,619 (2011: KUSD 3,843,796). The total outstanding amount as at December 31, 2012 was KUSD 1,292,381 (2011: KUSD 1,371,868).

16. Letters of Comfort

As at December 31, 2012, the Company has issued comfort letters to third parties for a total amount of KUSD 12,284 (2011: KUSD 11,833) on behalf of Eni Ceska Republika and Eni Romania, which are companies operating in the refining and marketing sector of activity. The outstanding amount under review at the end of the year was KUSD nil (2011: KUSD 847).

17. Commitments

In the normal course of business, as agreed in the operating agreements, permits and concessions, the Company and its subsidiaries are committed to significant amounts of expenditure under exploration and development programmes.

18. United States and European Union Sanction in Iran

Eni S.p.A. (Eni), the sole shareholder of Eni International B.V., is currently conducting oil and gas operations in Iran through Eni Iran B.V.. Eni International is the sole shareholder of Eni Iran B.V.. The legislation and other regulations of the United States and the European Union that target Iran and persons who have certain dealings with Iran may lead to the imposition of sanctions on any persons doing business in Iran or with Iranian counterparties.
We deem that Eni's activities in Iran are compliant with the applicable sanctions regimes.

The United States enacted the Iran Sanctions Act of 1996 ("ISA"), which required the President of the United States to impose sanctions against any entity that is determined to have engaged in certain activities, including investment in Iran's petroleum sector. The ISA was amended in July 2010 by the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 ("CISADA").
As a result, in addition to sanctions for investing in Iran's petroleum sector, parties engaging in business activities in Iran now may be sanctioned, under the ISA, for providing Iran with refined petroleum products and goods, services, technology, information or support that could directly and significantly either: (i) facilitate the maintenance or expansion of Iran's domestic production of refined petroleum products, or (ii) contribute to the enhancement of Iran's ability to import refined petroleum products.
CISADA also added that an investigation need not be initiated, and may be terminated once begun, if the President certifies to the U.S. Congress that the person, whose activities in Iran were the basis for the investigation, is no longer engaging in those activities or has taken significant steps toward stopping the activities and that the President has received reliable assurances that the person will not knowingly engage in any sanctionable activity in the future ("Special Rule" application).
The President also may waive sanctions, subject to certain conditions and limitations.
In addition, CISADA specifically authorized certain state and local Iran related divestment initiatives. We are aware of initiatives by certain U.S. States and U.S. institutional investors, such as pension funds, to adopt or consider adopting laws, regulations or policies requiring divestment from, or reporting of interests in, companies that do business with countries designated, such as Iran, as states sponsoring terrorism.
Following the adoption of CISADA, Eni engaged in discussions with officials of the U.S. State Department regarding Eni's activities in Iran.
On September 30, 2010, the U.S. State Department announced that the U.S. Government would not make a sanction determination with respect to Eni, based on Eni's commitment to end its investments in Iran's energy sector and not to undertake new energy-related activity that may be sanctionable under the ISA ("Special Rule" application).
The U.S. State Department further indicated at that time that, as long as Eni acts in accordance with these commitments, we will not be regarded as a company of concern for our past Iran-related activities.
Between the end of the 2011 and the first months of 2013, the United States adopted new measures designed to intensify the scope of US sanctions against Iran, in particular related to the Iran's energy and financial sectors.
Such restrictive measures are: the Executive Orders 13590 of 21 November 2011 and 13622 of 31 July 2012 and the Iran Threat Reduction and Syrian Human Rights Acts of 10 August 2012 ("ITRSHRA"), which expand the ISA/CISADA; the National Defense Authorization Acts - 2012, related to transactions with the Iranian Central Bank and transactions for the acquisition of Iranian crude oil and the National Defense Authorization Acts - 2013, which, inter alia, adds the shipbuilding sector among those subject to sanctions.

The new provisions impose, inter alia, sanctions on persons that are determined to have engaged in certain activities in support of Iran's energy and petrochemicals sector that are not specifically targeted by the ISA, as amended by CISADA.
Those activities include:

- the provision of goods, services, technology or support that have a fair market value above certain monetary thresholds and that could directly and significantly contribute to the maintenance or enhancement of Iran's ability to develop its petroleum resources or to the maintenance or expansion of Iran's domestic production of petrochemical products;
- the purchase of petrochemical products from Iran, and the supply of financial, material, technological support for, or goods or services in support of the National Iranian Oil Company (NIOC);
- the participation in a joint oil and gas development venture with Iran, outside Iran, if that venture was established after January 1, 2002.

With regard to the trading of crude oil, the above mentioned measures (in particular, the Iran Threat Reduction and Syrian Human Rights Acts of 10 August 2012, and the National Defense Authorization Acts 2012) provide for a ban on carrying out transactions associated with the purchase of crude oil and a ban on owning, operating or insuring any vessels used to transport Iranian crude. Both bans could be granted a waiver by the U.S. State Department (based on the National Defense Authorization Act for the Fiscal Year 2012) covering the home-country of an entity or the country of destination of the crude oil. On September 2012, the waiver was confirmed to Italy and other EU Member States for an additional period, renewable, of 180 days (a first waiver was granted in March 2012) on the basis that they have significantly reduced their imports of Iranian crude.

Furthermore, the United States maintains broad and comprehensive economic sanctions targeting Iran that are administrated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC sanctions"). These sanctions generally restrict the dealings of U.S. citizens and persons subject to the jurisdiction of the United States.

We deem that Eni's activities in Iran (the recovery of its investments and the completion of existing contracts, already notified to the US administration when the "Special Rule" was applied) are not sanctionable under the mentioned measures.
Indeed, if sanctions were imposed, their impact could be material and adverse to Eni.
With reference to divestment laws or policies of certain U.S. States and institutional investors, if our operations in Iran are determined to fall within the scope of these measures, sales resulting from such divestment laws and policies, if significant, could have an adverse effect on the Eni share price. Even if our activities in and with respect to Iran do not subject us to sanctions or divestment, companies with investments in the oil and gas sectors in Iran may suffer reputational harm as a result of increased international scrutiny.

On 26 July 2010, the European Union adopted restrictive measures regarding Iran (referred to as the "EU measures"). Amongst other things, the measures prohibited the supply of equipment and technology in the following sectors of the oil and gas industry in Iran: refining, liquefaction of natural gas, exploration and production. The prohibition extended to technical assistance, financing and financial assistance in connection with such items. Extension of loans or credit to, acquisition of shares in, entry into joint ventures with any Iranian person engaged in any of the targeted sectors was also prohibited.
The measures consented the execution of contracts of the oil & gas sector signed before the sanctions entered into force.
Restrictions were also provided for with respect to financial transactions with Iranian counterparties.

On 23 March 2012 the Council of the European Union enacted a regulation intended to prohibit the import, transport and purchase of Iranian crude oil and petroleum products. The rules allow for the execution of contracts, entered into before 23 January 2012, when the supply of Iranian crude oil and petroleum products is a means of reimbursing outstanding receivable dues to entities under the jurisdiction of EU Member States.

In the last months of 2012, the Council of the European Union adopted new measures providing for additional restrictive measures against Iran.
Those additional restrictive measures include:

- export prohibition on key naval equipment and technology for ship-building, maintenance or refit;
- prohibition in trade in graphite, raw or semi-finished metals, such as aluminium and steel, and software for certain industrial processes;
- ban on the import, purchase or transport of Iranian natural gas;
- prohibitions on the provision of flagging and classification services to Iranian oil tankers and cargo vessels and
- prohibition on the supply of vessels designed for the transport or storage of Iranian oil and petrochemical products.

The new measures also prohibit transactions between the European Union and Iranian banks and financial institutions, unless authorised in advance by the relevant Member State and include an embargo on the supply to Iran and use in Iran of key equipment or technology which could be used in the sectors of the oil, natural gas and petrochemical industries, starting from 15 April 2013.
Furthermore, the new measures designate new Iranian entities as subject to the asset freeze, including the Iranian oil gas industry companies (the National Iranian Oil Company and its subsidiary operating companies).

The European measures provide for derogations from certain prohibitions (i.e. embargo on oil & gas key technologies, prohibition to supply of vessels for the purpose of transporting Iranian oil, asset freeze of the National Iranian Corporation and its subsidiaries) in order to execute contracts, entered into before 23 January 2012, which provide for the supply of Iranian crude oil and petroleum products as a reimbursement of outstanding amounts (such as the case of Eni service contracts described here below). Under these derogations Eni is entitled to carry out its upstream and trading activities. In this respect, Eni is in close contact with the competent European authorities in order to obtain the relevant authorizations, part of which have already been received.

Eni Exploration & Production has been operating in Iran, through Iran B.V, for several years under four Service Contracts (South Pars, Darquain, Dorood and Balal, these latter two projects being operated by another international oil company) entered into with the National Iranian Oil Company (NIOC) between 1999 and 2001, and no other exploration and development contracts have been entered into since then. Under such Service Contracts, Eni has carried out development operations in respect of certain oil fields, and is entitled to recovery (in cash or in kind) of expenditures made, as well as a service fee. All projects mentioned above have been completed or substantially completed; the last one, the Darquain project, is in the process of final commissioning and is being handed over to the NIOC. In this respect, we expect to incur operating costs in the range of approximately US$15 to US$20 million per year over the next few years for contractual support activities and services.
Eni Exploration & Production projects in Iran are currently in the cost recovery phase meaning that Eni will be receiving payments in cash or in kind (through the delivery of Iranian crude oil) until the extinction of our credit towards our Iranian counterpart.
Therefore, Eni has refrained from making any further investment in the country and is not planning to make additional capital expenditures in Iran in the future.

We will continue to closely monitor legislative and other developments in the United States and the European Union in order to determine whether our remaining interests in Iran could subject us to application of either current or future sanctions under the OFAC sanctions, the ISA, the EU measures or otherwise. If any of our activities in and with respect to Iran are found to be in violation of any Iran-related sanctions, and sanctions are imposed on Eni, it could have an adverse effect on our business, plans to raise financing, sales and reputation.

19. Tax group liability

The Company forms a fiscal unity for corporate income tax and value added tax purposes with Eni Exploration & Production Holding BV, Amsterdam, The Netherlands. Under the Tax Collection Act, the Company is jointly and severally liable for the taxes which are to be paid by the unity.

20. Operating lease commitments

The future lease commitment (office lease) for the duration of the contract expiring on March 31, 2015, amounts to KEUR 1,872 (2011: KEUR 2,613). An amount of KEUR 205 relating to the office lease for the first three months of 2013 is stated as deferred expenses in this financial statement.

21. General and administrative expenses

General and administrative expenses include labour costs, purchase costs and other professional service costs, net of revenues from services rendered to related companies as detailed below.

(thousand US Dollars)	2012	2011
Wages and salaries	3,588	3,874
Pension costs and social security contributions	755	953
Other labour costs	530	826
Gross labour costs	**4,873**	**5,653**
Purchase costs and other professional services	3,108	3,773
Services recharged	(5,485)	(6,230)
General and administrative expenses	**2,496**	**3,196**

The Company has a defined contribution pension plan. The Company agreed a fixed annual premium amount with an insurance company.

The General and administrative expenses include an amount of KEUR 114 (2011: KEUR 127) related to audit costs.

22. Taxes

The Company is subject to taxes in the Netherlands. The effective tax rate differs from the statutory tax rate in the Netherlands primarily due to foreign operations exempted from income and dividend taxes in the Netherlands. Starting from the fiscal year 2010, the Company and Eni Exploration & Production Holding BV form a fiscal unity for the corporate income tax. Eni International BV is the head of the fiscal unit. The corporate income tax is calculated within the fiscal unity on a notional stand-alone basis with the resulting tax position presented as a payable or receivable with the head of the fiscal unity. Therefore the calculation of the taxable amount also includes financial information from Eni Exploration & Production Holding BV. The taxable amount related to the year is KUSD 18,415. However, as the Company has tax losses carried forward, no tax has to be paid for the year 2012.

Income tax consists of:

(thousand US Dollars)	2012
Corporate income tax	(4,665)
Release of deferred tax receivables	(14,969)
Witholding tax on dividends received for	(9,013)
Total	**(28,647)**

23. Employee information

As at December 31, 2012, the Company has 42 employees (2011: 42) of which 2 employees seconded at other Eni Group companies.

24. Subsequent Events

Following the subsequent events not previously described.

On January 3, 2013, the Company incorporated Eni Kenya BV which will explore blocks: L-21, L-23 and L-24, thus marking the entry of Eni in the country. The blocks are located in the deep and ultra-deep waters of the Lamu Basin, off the coast of Kenya. The initial exploration phase of the three blocks, which will be operated by Eni with 100% participation and cover an area of more than 35,000 square kilometres, will consist of the execution of a seismic acquisition programme.

On January 25, 2013, the sole shareholder resolved to increase the equity of Eni Vietnam BV with an amount of KUSD 19,000 to finance, out of equity, the exploration activities.

On February 8, 2013, the Company incorporated Eni Cyprus Ltd which will be operator in a consortium formed by Eni (80%) and the Korean company Kogas (20%) to explore Blocks 2, 3 and 9 located in the Cypriot deep offshore portion of the Levantine basin, which encompass an area of around 12,530 square kilometres, thus marking the entry of Eni in the Country.

On February 18, 2013, the Company incorporated Eni Mozambique LNG Holding BV, which will be the holding of midstream companies in Mozambique.

25. Remuneration of Directors

In accordance with Shareholders Resolution dated April 6, 2011, the Company did not pay any remuneration to its Directors in 2012 (2011: KUSD 13).

Signed by the Board of Directors in Amsterdam on March 8, 2013

A. Simoni
Chairman

R. Castriota
Managing Director

R. Ulissi
Director

ERNST & YOUNG

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Independent auditor's report

To: the Board of Directors and the General Meeting of the Shareholder of Eni International B.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of Eni International B.V., Amsterdam, which comprise the balance sheet as at 31 December 2012, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

The directors' responsibility
The directors are responsible for the preparation and fair presentation of these financial statements and for the preparation of the directors' report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements
In our opinion, the financial statements give a true and fair view of the financial position of Eni International B.V. as at 31 December 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 8 March 2013

Ernst & Young Accountants LLP

J.J.J. Sluiter

eni

eni international bv

Amsterdam, the Netherlands
World Trade Center, Strawinskylaan 1725
1077 XX Amsterdam

Other information

Appropriation of result

According to the Company's Articles of Association, the appropriation of the result is to be determined by the Annual General Meeting of the Shareholder.

Proposal of result

Management proposed to the sole shareholder the distribution of dividends up to the entire year 2012 net result to be paid in one or more installments.

Subsequent Events

Following the subsequent events not previously described.

On January 3, 2013, the Company incorporated Eni Kenya BV which will explore blocks: L-21, L-23 and L-24, thus marking the entry of Eni in the country. The blocks are located in the deep and ultra-deep waters of the Lamu Basin, off the coast of Kenya. The initial exploration phase of the three blocks, which will be operated by Eni with 100% participation and cover an area of more than 35,000 square kilometres, will consist of the execution of a seismic acquisition programme.

On January 25, 2013, the sole shareholder resolved to increase the equity of Eni Vietnam BV with an amount of KUSD 19,000 to finance, out of equity, the exploration activities.

On February 8, 2013, the Company incorporated Eni Cyprus Ltd which will be operator in a consortium formed by Eni (80%) and the Korean company Kogas (20%) to explore Blocks 2, 3 and 9 located in the Cypriot deep offshore portion of the Levantine basin, which encompass an area of around 12,530 square kilometres, thus marking the entry of Eni in the Country.

On February 18, 2013, the Company incorporated Eni Mozambique LNG Holding BV, which will be the holding of midstream companies in Mozambique.

Z/ND/40058886 (dms 13776993)

CERTIFICATE OF INCORPORATION

The undersigned:

Pieternel Kouwenhoven, hereafter to be called "civil law notary", as deputy of Dominique François Margaretha Maria Zaman, civil law notary in Rotterdam, the Netherlands,

declares that:

(i) according to and solely based upon an excerpt (of which a copy and an unofficial English translation thereof have been attached hereto as <u>Annex I</u>) of the registration of the Company (as defined hereinafter) in the Trade Register of the Chamber of Commerce in Amsterdam, the Netherlands, dated as of the date hereof, hereinafter: **Excerpt**:

- **Eni Myanmar B.V.**, a private limited liability company (*"besloten vennootschap met beperkte aansprakelijkheid"*) under Dutch law, having its official seat in Amsterdam, the Netherlands, and its office address in 1077 XX Amsterdam, the Netherlands, Strawinskylaan 1725, hereinafter: **Company**, was incorporated on 13 May 2013;

- the Company's Articles of Association were established at the incorporation of the Company and have not been amended since;

- the Company is registered with the Trade Register of the Dutch Chamber of Commerce under number 57919127;

- the sole shareholder of the Company is: **Eni International B.V.**, a private limited liability company under Dutch law, having its official seat in Amsterdam, the Netherlands, and its office address at 1077 XX Amsterdam, the Netherlands, Strawinskylaan 1725;

- the management board members of the Company are:
    - Roberto Castriota, born in Rome, Italy, on the eighteenth day of January nineteen hundred and fifty-eight;
    - Anna Massi, born in Rome, Italy, on the twenty-fourth day of February nineteen hundred and sixty-seven; and
    - Massimiliano Pieri, born in Chianciano Terme, Italy, on the third day of November nineteen hundred and seventy-four;

(ii) according to article 14 of the Company's Articles of Association and the attached Excerpt, the Company can be represented by its Management Board as a whole, with due observance of (a) Dutch law and (b) the other provisions of the Company's Articles of Association; and

(iii) a true copy of the deed of incorporation of the Company, executed before me, civil law notary, as substitute of D.F.M.M. Zaman, aforementioned, on 13 May 2013, as well as un unofficial translation into the English language thereof, have been attached to this certificate (Annex II).

It should be noted that under Dutch corporate law, there are certain exceptions to the general principle that a person who deals with a company, acting in good faith, may rely on the information on such company that is registered with the trade register, which information is the basis of our statements above. For example, restrictions may apply to the ability of a company to enter into a transaction and the ability of the members of its management board to represent such company if the transaction concerned constitutes ultra vires (*doeloverschrijding*) or financial assistance (*financiële steunverlening*) or in the event one or more of the members of the management board have a conflict of interest (*tegenstrijdig belang*).

This certificate may only be relied upon on the express condition that any issues of interpretation or liability thereunder will be governed by Dutch law and be brought exclusively before a Dutch Court and is subject to the General Terms and Conditions of Loyens & Loeff N.V. (lawyers, tax advisors and civil law notaries)[1] which include a limitation of liability clause.

Signed in Rotterdam, the Netherlands, on 14 May 2013.

P. Kouwenhoven

Prof. mr. D.F.M.M. ZAMAN * NOTARIS TE ROTTERDAM *

[1] These conditions were deposited with the Registry of the Rotterdam District Court on 1 July 2009 under number 43/2009 and can be found at http://www.loyensloeff.com.

LEGALISATIE
Nr. HA RP 13-347

Gezien voor legalisatie de handtekening van
P.Kouwenhoven, kandidaat-notaris
te Rotterdam
door de President van de rechtbank Rotterdam,

Rotterdam, 15 mei 2013
Coll.
L. Bourne

mr. R.G. de Lange-Tegelaar

MINISTERIE VAN JUSTITIE

Gezien voor legalisatie van de handtekening
van mr R.G.de Lange - Tegelaar
President van de Rechtbank te Rotterdam
's-Gravenhage
De Minister van Justitie, 16 MEI 2013
namens de Minister,
Hoofd van de directie Bedrijfsvoering en Ondersteuning
Bestuurdepartement,
voor deze,

J. van Rijn

LEGALISATION NO 75/2013
DATE 17 MAY 2013
CERTIFIED AT THE MYANMAR EMBASSY BRUSSELS, FOR
LEGALIZATION OF THE FOREGOING SIGNATURE OF
S. BRULLEMANS

KHIN OO HLAING
First Secretary,
Embassy of the Republic
of the Union of Myanmar

Ministerie van Buitenlandse Zaken

Gezien voor legalisatie van de handtekening
van: J. van Rijn
De minister van Buitenlandse Zaken voor deze,
6;10
Den Haag,

16 MEI 2013 S. BRULLEMANS

mer van koophandel

Chamber of Commerce Commercial Register extract

Commercial Register No. 57919127	This registration is administrated by the Chamber of Commerce for Amsterdam

Legal entity

RSIN	852792219
Legal form	Private Limited Liability Company (Besloten Vennootschap)
Statutory name	Eni Myanmar B.V.
Corporate seat	Amsterdam
First entry in Commercial Register	14-05-2013
Date of deed of incorporation	13-05-2013
Issued capital	EUR 20.000,00
Paid-up capital	EUR 20.000,00

Company

Trade name	Eni Myanmar B.V.
Company start date	13-05-2013 (registration date: 14-05-2013)
Activities	SBI-code: 0910 - Support activities for petroleum and natural gas extraction
Employees	0

Establishment

Establishment number	000027314065
Trade name	Eni Myanmar B.V.
Visiting address	Strawinskylaan 1725, 1077XX Amsterdam
Telephone number	0205707100
Fax number	0205707170
Date of incorporation	13-05-2013 (registration date: 14-05-2013)
Activities	SBI-code: 0910 - Support activities for petroleum and natural gas extraction For further information on activities, see Dutch extract.
Employees	0

Sole shareholder

Name	Eni International B.V.
Visiting address	Strawinskylaan 1725, 1077XX Amsterdam
Registered under CR No.	33264934
Sole shareholder since	13-05-2013 (registration date: 14-05-2013)

Board members

Name	Castriota, Roberto
Date and place of birth	18-01-1958, Rome, Italy
Date of entry into office	13-05-2013 (registration date: 14-05-2013)
Title	Director
Powers	Authorised jointly (with other board member(s), see articles)
Name	Massi, Anna
Date and place of birth	24-02-1967, Rome, Italy

koophandel

Chamber of Commerce
Commercial Register extract

1

Commercial Register No. 57919127

Page 2 (of 2)

Date of entry into office	13-05-2013 (registration date: 14-05-2013)
Title	Director
Powers	Authorised jointly (with other board member(s), see articles)
Name	Pieri, Massimiliano
Date and place of birth	03-11-1974, Chianciano Terme, Italy
Date of entry into office	13-05-2013 (registration date: 14-05-2013)
Title	Director
Powers	Authorised jointly (with other board member(s), see articles)

Rotterdam, 14-05-2013. Extract was made at 11.32 hours.
For extract

Mw. F.C. de Clonie Mac Lennan

Chamber of Commerce Commercial Register extract

Commercial Register No. 57919127	This registration is administrated by the Chamber of Commerce for Amsterdam

Legal entity

RSIN	852792219
Legal form	Private Limited Liability Company (Besloten Vennootschap)
Statutory name	Eni Myanmar B.V.
Corporate seat	Amsterdam
First entry in Commercial Register	14-05-2013
Date of deed of incorporation	13-05-2013
Issued capital	EUR 20.000,00
Paid-up capital	EUR 20.000,00

Company

Trade name	Eni Myanmar B.V.
Company start date	13-05-2013 (registration date: 14-05-2013)
Activities	SBI-code: 0910 - Support activities for petroleum and natural gas extraction
Employees	0

Establishment

Establishment number	000027314065
Trade name	Eni Myanmar B.V.
Visiting address	Strawinskylaan 1725, 1077XX Amsterdam
Telephone number	0205707100
Fax number	0205707170
Date of incorporation	13-05-2013 (registration date: 14-05-2013)
Activities	SBI-code: 0910 - Support activities for petroleum and natural gas extraction For further information on activities, see Dutch extract.
Employees	0

Sole shareholder

Name	Eni International B.V.
Visiting address	Strawinskylaan 1725, 1077XX Amsterdam
Registered under CR No.	33264934
Sole shareholder since	13-05-2013 (registration date: 14-05-2013)

Board members

Name	Castriota, Roberto
Date and place of birth	18-01-1958, Rome, Italy
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Title	Director
Powers	Authorised jointly (with other board member(s), see articles)
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Date and place of birth	24-02-1967, Rome, Italy

Chamber of Commerce Commercial Register extract

Commercial Register No. 57919127

Page 2 (of 2)

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Powers	Authorised jointly (with other board member(s), see articles)

Rotterdam, 14-05-2013. Extract was made at 11.32 hours.
For extract

Mw. F.C. de Clonie Mac Lennan

KONINKLIJKE NOTARIËLE BEROEPSORGANISATIE

vermeld. —
De zakelijke inhoud van deze akte is aan de comparant opgegeven en toegelicht. —
De comparant heeft verklaard op volledige voorlezing van de akte geen prijs te — stellen, tijdig voor het verlijden van de inhoud daarvan te hebben kennisgenomen en — met de inhoud in te stemmen. —
Onmiddellijk na beperkte voorlezing is deze akte eerst door de comparant en daarna — door mij, notaris, ondertekend. —
(volgt ondertekening)

UITGEGEVEN VOOR AFSCHRIFT
door mij, mr. Pieternel Kouwenhoven, als waarnemer van prof. mr. Dominique François Margaretha Maria Zaman, notaris met plaats van vestiging Rotterdam.

Rotterdam, 14 mei 2013.

Prof. mr. D.F.M.M. Zaman
Notaris te Rotterdam

Ministerie van Buitenlandse Zaken

Gezien voor legalisatie van de handtekening
van: J. van Rijn
De minister van Buitenlandse Zaken voor deze,
6710
Den Haag,
16-MEI-13 0400 B. BRULLEMANS

LEGALISATIE
Nr. HA RP 13-347/1

Gezien voor legalisatie de handtekening van
P.Kouwenhoven, kandidaat-notaris
te Rotterdam
door de President van de rechtbank Rotterdam,

Rotterdam, 15 mei 2013
Coll.
L. Bourne

mr. R.G. de Lange-Tegelaar

MINISTERIE VAN JUSTITIE

Gezien voor legalisatie var de handtekening
van mr R.G.de Lange - Tegelaar
President van de Rechtbank te Rotterdam
's-Gravenhage 16 MEI 2013
De Minister van Justitie,
namens de Minister
Hoofd van de directie Bedrijfsvoering en Ondersteuning
Bestuurdepartement,
voor deze.

J. van Rijn

LEGALISATION NO 76/2013

DATE 17 MAY 2013

CERTIFIED AT THE MYANMAR EMBASSY BRUSSELS, FOR

LEGALIZATION OF THE FOREGOING SIGNATURE OF

S. BRULLEMANS

KHIN OO HLAING
First Secretary
Embassy of the Republic
of the Union of Myanmar

Z/ND/5149398/40058886

NOTE ABOUT TRANSLATION:

This document is an English translation of a document prepared in Dutch. In preparing this document, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law.

In this translation, Dutch legal concepts are expressed in English terms and not in their original Dutch terms. The concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

Incorporation of BV

Eni Myanmar B.V.

This thirteenth day of May two thousand thirteen, there appeared before me, Pieternel Kouwenhoven, hereafter to be called "civil law notary", as deputy of Dominique François Margaretha Maria Zaman, civil law notary at Rotterdam, the Netherlands:
Mr Paolo Maria Conte, born in Napoli, Italy, on the twelfth day of July nineteen hundred fifty-nine, residing at 1077 DP Amsterdam, the Netherlands, Gerrit van der Veenstraat 41, married, holder of an Italian passport with number YA4160598, valid till the fourteenth day of March two thousand twenty-three, in this respect acting as attorney in writing of:
Eni International B.V., a private limited liability company under Dutch law, having its official seat in Amsterdam, the Netherlands, and its office address at 1077 XX Amsterdam, the Netherlands, Strawinskylaan 1725, hereinafter: **Incorporator.**
The person appearing declared the following:
The Incorporator hereby incorporates a private limited liability company under Dutch law ('besloten vennootschap met beperkte aansprakelijkheid'), hereinafter: **Company,** with the following Articles of Association:

ARTICLES OF ASSOCIATION

Article 1. Name. Corporate seat.

1.1 The Company is a private company with limited liability and its name is:
Eni Myanmar B.V.
The Company's name may also be written either (a) in capital letters, or (b) in lower case letters, with the exception of the letters "B.V.".

1.2 The Company has its corporate seat in Amsterdam, the Netherlands.
The Company may have branch offices elsewhere, also outside the Netherlands.

Article 2. Objects.

2.1 The objects that the Company may pursue whether directly or through the participation in other companies, agencies or enterprises are:

a. to promote, carry on and execute all kinds of petroleum operations and commercial trading in the sector of liquid and/or gaseous hydrocarbons and other sources and kinds of energy and connected by-products;

b. to initiate, carry on or enter into any arrangement in order to construct, finance, own and operate gaslines, pipelines, plants for the liquefaction and/or regasification of natural gas, ships for the transportation of petroleum (including, without limitation, natural gas, crude oil, LPG and LNG) and connected facilities;

c. to enter, as shipper or carrier, into transportation contracts in respect of gaslines, pipelines, plants for the liquefaction and/or regasification of natural gas, ships for the transportation of petroleum (including, without limitation, natural gas, crude oil, LPG and LNG) and connected products;

d. to enter, as owner or toller, into tolling agreements in respect of plants for the liquefaction and/or regasification of natural gas and connected facilities;

e. to establish and to acquire shareholdings in other companies or enterprises operating in the fields of activities mentioned in items a to d;

f. to attract funds for financing of its activities and/or the activities of its affiliates;

g. to perform all acts, including to set up branches and subsidiaries in any part of the world, that are advisable, necessary or related to the above mentioned objects.

2.2 The objects specified in this article 2 paragraph 1 shall be construed in the widest sense and include any activity or object which is incidental or may be conducive thereto.

2.3 In pursuing its objects, the Company may enter into transactions which will benefit companies or enterprises with which it is affiliated.

Article 3. Authorized capital and shares

3.1 The authorized capital of the Company amounts to one hundred thousand Euro (EUR 100,000), divided into twenty thousand (20,000) shares with a nominal value of five Euro (EUR 5) each.

3.2 All shares shall be in registered form and shall be consecutively numbered from 1 (one) onwards. No share certificates shall be issued.

3.3 The Company may make loans with respect to a subscription for or acquisition of shares in its share capital up to an amount not exceeding the amount of its distributable reserves. A resolution by the Board of Directors to make a loan referred to in the preceding sentence shall be subject to the approval of the general meeting of shareholders, hereinafter: **general meeting**.
The Company shall maintain a non-distributable reserve for an amount equal to the outstanding amount of the loans as referred to in this article.

Article 4. Issuance of shares

4.1 Shares shall be issued pursuant to a resolution of the general meeting; the general meeting shall determine the price and the further terms and conditions of the issuance.

4.2 Shares shall never be issued for a price below par.

4.3 Shares shall be issued by notarial deed, in accordance with the provisions set forth in section 2:196 of the Dutch Civil Code.

4.4 The Company is not authorised to cooperate in the issuance of depositary receipts for shares.

Article 5. Payment for shares

5.1 Shares may be issued against payment of a percentage of the nominal amount of the shares, such percentage being at least twenty-five percent (25%) of the nominal amount of each share. The general meeting shall resolve on what day and to what extent further payment on non fully paid up shares must have taken place. The Board of Directors shall inform all shareholders of such resolution.

5.2 Payment must be made in cash, unless another manner of contribution has been agreed upon. A resolution of the Board of Directors to enter into an agreement regarding the contribution in kind needs the prior approval of the general meeting.

5.3 Payment in cash may be made in a foreign currency, subject to the approval of the general meeting.

Article 6. Pre-emption rights.

6.1 Upon issue of shares, each shareholder shall have a pre-emption right in proportion to the aggregate amount of his shares, subject to the provisions of article 6.2.
Should a shareholder who is entitled to a pre-emption right not or not fully exercise such right, the remaining shareholders shall be similarly entitled to pre-emption rights in respect of those shares which have not been claimed.
If the latter collectively do not or do not fully exercise their pre-emption rights, then the general meeting shall be free to decide to whom the shares which have not been claimed shall be issued and such issue may be made at a higher price.

6.2 Pre-emption rights may be limited or excluded by resolution of the general

meeting for each specific issue.

6.3 Pre-emption rights may not be separately disposed of.

6.4 If pre-emption rights exist in respect of an issue of shares, the general meeting shall determine, with due observance of the provisions set out in this article and simultaneously with the resolution to issue shares, the manner in which and the period within which such pre-emption rights may be exercised. Such period shall be at least four weeks from the date the notification referred to in article 6.5 is sent.

6.5 The Company shall notify all shareholders of an issue of shares in respect of which pre-emption rights exist and of the period of time within which such rights may be exercised.

6.6 The provisions of this article shall equally apply to a grant of rights to subscribe for shares, but shall not apply to an issue of shares to a person who exercises a previously acquired right to subscribe for shares.

Article 7. Repurchase and alienation of shares.

7.1 Subject to the authorisation by the general meeting, the Board of Directors may cause the Company to acquire such number of fully paid up shares in its own share capital for consideration that the aggregate par value of the shares in its share capital to be acquired and already held by the Company and its subsidiary companies does not exceed one half of the issued share capital and without prejudice to the other provisions of the law with respect thereto.

7.2 Article 4.1 and article 6 shall apply correspondingly to the alienation by the Company of shares acquired in its share capital.

Article 8. Shareholders register.

8.1 The Board of Directors shall keep a shareholders register in which the names and addresses of all shareholders shall be recorded, stating the date on which they acquired the shares, the number of shares held by each of the shareholders, the date of acknowledgement or service, as well as the amount paid-up on each share and any other information that must be recorded by law. The register shall also record the names and addresses of persons to whom shares have been pledged and persons who have acquired rights of usufruct in respect of shares, as well as the date on which they acquired the right, the date of acknowledgement or service and the rights which such persons may exercise in respect of those shares pursuant to Dutch Law (sections 2:197 and 2:198 of the Dutch Civil Code).

Each shareholder, pledgee and usufructuary shall be required to ensure that his address is known to the Company.

The register shall be regularly kept up to date and the grant of each release from liability for payments not yet made shall be recorded therein.

8.2 The Board of Directors shall deposit the register at the office of the Company for inspection by the shareholders and by the usufructuaries and pledges in whom the rights referred to sections 2:197 and 2:198 of the Dutch Civil Code are vested.

The particulars in the register in respect of shares which have not been paid up in full shall be available for public inspection and a copy or an abstract of such particulars shall be provided at no more than cost.

At the request of a shareholder, a pledgee or a usufructuary, the Board of Directors shall supply free of charge extracts from the share register relating to the shares to which the applicant has rights.

Article 9. Notices to attend and notifications.

9.1 Notices of meetings to shareholders shall be sent by registered letter, regular letter, telefax or e-mail to the last addresses stated in the shareholders register.

9.2 Notifications to the Board of Directors shall be sent by registered letter, regular letter, telefax or e-mail to the office of the Company or to the last addresses of all members of the Board of Directors.

Article 10. Transfer of title to shares.

The transfer of title to shares shall be effected by notarial deed in accordance with the provisions set forth in section 2:196 of the Dutch Civil Code.

Article 11. Restrictions on the transfer of shares.

11.1 A transfer of shares in the Company - not including a transfer by the Company of shares which it has acquired in its own share capital - cannot be effected without due observance of article 11.2 to 11.7 inclusive.

11.2. The shareholder wishing to transfer one or more shares, shall require the approval of the general meeting thereto.

11.3 The transfer must be effected within three months after the approval has been granted or is deemed to have been granted.

11.4 The approval shall be deemed to have been granted if the general meeting, simultaneously with the refusal to grant its approval, does not furnish the requesting shareholder with the names of one or more interested parties prepared to purchase all the shares referred to in the request for approval, against payment in cash, for the purchase price determined in accordance with article 11.5; the Company itself can only be designated as interested party with the approval of the requesting shareholder.

The approval shall likewise be deemed to have been granted if, within six weeks after the request for approval, the general meeting does not make a decision with respect thereto.

11.5 The purchase price referred to in article 11.4 shall be determined by mutual agreement between the requesting shareholder and the interested parties accepted by him.

Failing agreement, the purchase price shall be determined by an independent expert, to be designated by mutual agreement between the Board of Directors and the requesting shareholder.

11.6 Should the Board of Directors and the requesting shareholder not reach agreement on the designation of the independent expert, then such designation shall be made by the president of the chamber of commerce and industry, within the district in which the Company has its main office.

11.7. Once the purchase price of the shares has been determined by the independent expert, then the requesting shareholder shall be free, during one month after such determination of the purchase price, to decide whether he will transfer his shares to the designated interested parties.

Article 12. Board of Directors.

12.1 The Company shall be managed by a Board of Directors. The general meeting shall determine the number of members of the Board of Directors, hereinafter: **Directors**, provided that they shall not be less than 3 (three), nor more than 5 (five).
Only natural persons are eligible for the office of Director.

12.2 Directors shall be appointed by the general meeting and may at any time be suspended or removed from office by the general meeting.
The Directors shall hold office for a term of three (3) financial years and their mandate shall expire at the Annual General Meeting of Shareholders approving the financial statements of the third financial year of their term of office, provided that subject Board of Directors shall remain in office in all events until the appointment of the new Board of Directors is effective.
All Directors shall be eligible for re-appointment.

12.3 Directors are required, upon the acceptance of or prior to their appointment, to declare in writing that they do not, as a result of any direct or indirect involvement in any organisation or enterprise, have a conflict of interests with the group to which the Company belongs. In case the person to be appointed as a Director is in doubt whether such conflict exists, he is obliged to state in writing to the Board of Directors the particulars of his possible conflict of interests whereupon the general meeting can at any time decide whether appointment can take place in the given circumstances. If a Director acquires, after his appointment, an actual or possible conflict of interests, he shall state this forthwith in writing to the Board of Directors. In case a Director acquires a conflict of interests or proves to have a non-disclosed conflict of interests, he shall immediately resign and may be dismissed forthwith by the general meeting.

12.4 The remuneration of the Directors shall be fixed for the duration of their office by the general meeting appointing them for each Director individually. The Directors shall also be reimbursed for the expenses incurred by reason of their office.

12.5 In the event a Director resigns, or is removed by the general meeting, during his term of office and a new Director is appointed in his place, the term of office of the newly appointed Director expires at the moment in time the term of office of his predecessor should have ended.
In the event the majority of Directors resigns from office, the term of office of the entire Board of Directors shall expire and a general meeting of shareholders shall be promptly convened to appoint a new Board of Directors.

12.6 In case one or more Directors are prevented from acting or their offices are

vacated, the remaining Directors or the only remaining Director shall be temporarily in charge of the management.
The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, they may act only for the purpose of calling a general meeting.
In case all Directors are or the only Director is prevented from acting or failing, the person designated or to be designated for that purpose by the general meeting shall be temporarily in charge of the management and shall convene the general meeting of the shareholders as soon as possible to appoint the new Board of Directors.

12.7 The Board of Directors shall appoint one of the Directors as Chairman of the Board, hereinafter: **Chairman.** The Chairman of the Board shall convene the board and shareholders meetings by signing each notice of meeting, including the agenda, and monitor that meetings be duly held.
The Chairman shall preside over such meetings and sign the minutes of the meetings.

12.8 If the Chairman of the Board of Directors is not present in the Netherlands, one among the Directors present in the Netherlands shall act as Chairman of such meeting.

12.9 The Board of Directors shall appoint a secretary who need not be a Director. The secretary shall draw up the minutes of the meetings, which minutes shall be entered in a register kept for this purpose, after having been signed by the chairman and the secretary of the meetings concerned or of the meetings at which the minutes are approved.
The secretary shall be reimbursed for the expenses incurred by reason of his office.

12.10 With the approval of the Board of Directors one or more experts may attend Board meetings, but shall not have the right to vote.

Article 13. Resolutions by the Board of Directors.

13.1 The Board of Directors may adopt its resolutions, provided that the quorum for the validity of their meetings shall be the majority of their members in office and that the resolutions be adopted with an absolute majority of votes cast.
In a tie vote, the Chairman of the meeting shall decide.

13.2 The Board of Directors shall meet in the Company's registered office or elsewhere in the Netherlands, or in any other place in the European Union, whenever the Chairman or the majority of its Directors so desire.

13.3 The Board of Directors shall meet at least two times each year and during such meetings, the Directors shall report on the activities and on the most relevant operational, economic and financial matters of the Company and its subsidiaries.

13.4 Notice of the meeting must be sent not later than five (5) days before the meeting; in exceptional circumstances shorter notice may be given. The notice

shall specify the agenda, the date, time and place of the meeting and may be sent by letter or by telegram or e-mail.

13.5 The Board of Directors may also adopt resolutions in writing, without holding a meeting, provided that such resolutions are adopted in writing, by letters, fax, e-mail or telegram or in some other written form and all Directors have expressed themselves in favour of the proposal concerned, signing together in the same document or severally.

13.6 Any Director may participate in a meeting of the Directors by means of videoconference or similar communications equipment whereby all persons participating in the meeting can hear each other, may intervene in the discussion and vote in real time. The participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. A Director taking part in such a conference shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the chairman and the secretary to the meeting are located. The word "meeting" in the articles shall be construed accordingly.

Article 14. Representation. Proxies. Conflicts of interest.

14.1 The Board of Directors shall have the power to represent the Company.

14.2 The Board of Directors may delegate one of its Directors any of its functions, notwithstanding the responsibility of the Board of Directors and any Director by virtue of the law. Such Director (if any) may have the title under the articles of association of "Managing Director" and a general or limited power to represent the Company.

14.3 The Board of Directors may appoint officers with general or limited power to represent the Company. Each officer shall be competent to represent the Company, subject to the restrictions imposed on him by the Board of Directors. The Board of Directors shall determine each officer's title. Such officers may be registered at the Commercial Register, indicating the scope of their power to represent the Company. The authority of an officer thus appointed may not extend to any transaction where the Company has a conflict of interest with the officer concerned or with one or more Directors.

14.4 In the event of a conflict of interest between the Company and a Director, the provisions of article 14.1 hereof shall continue to apply unimpaired unless the general meeting of shareholders has appointed one or more other persons to represent the Company in the case at hand or in general in the event of such a conflict. A resolution of the Board of Directors with respect to a matter involving a conflict of interest with a Director in a private capacity shall be subject to the approval of the general meeting of shareholders, but the absence of such approval shall not affect the authority of the Board of Directors or its members to represent the Company.

Article 15. General meetings.

15.1 The annual general meeting shall be held at least once in a year within six months after the end of each financial year.

15.2 The agenda for this meeting shall in any case include the adoption of the annual accounts and the allocation of profits.
At such general meeting the person referred to in article 12.6, shall be designated and, furthermore, all items which have been included in the agenda in accordance with articles 15.5 and 15.6 shall be discussed.

15.3 Extraordinary general meetings shall be convened whenever the Board of Directors or of one or more shareholders jointly representing more than fifty per cent of the issued share capital considers appropriate.

15.4 General meetings shall be held in the municipality where the Company has its corporate seat, or elsewhere in the Netherlands.
Resolutions adopted at a general meeting held elsewhere are valid only if the entire issued share capital is represented.

15.5. Shareholders shall be given notice of the general meeting by the Board of Directors, by a Director or by a shareholder. The notice shall specify the items to be discussed, the place, date and time of the meeting.

15.6 Notice shall be given not later than on the eighth day prior to the date of the meeting. If the notice period is shorter or if no notice is sent, no valid resolutions may be adopted unless the resolution is adopted by unanimous vote at a meeting at which the entire issued share capital is represented.
The preceding sentence shall apply correspondingly to matters which have not been mentioned in the notice of the meeting or in a supplementary notice sent with due observance of the notice period.

15.7 The Chairman of the Board of Directors will be the chairman of the general meeting. If the Chairman of the Board is not present or available and if nobody among the Directors is willing to act as chairman of the meeting, the general meeting appoints its chairman among the shareholders present.

15.8 The shareholders shall appoint the secretary of the general meeting who need not to be a shareholder and not a Director.
The secretary shall draw up the minutes of the meeting, which minutes shall be entered in a register kept for this purpose, after having been signed by the chairman and the secretary of the meeting concerned or of the meeting at which the minutes are approved.
The secretary shall be reimbursed for the expenses incurred by reason of his office.

Article 16. Voting rights of shareholders.

16.1 Each share confers the right to cast one vote.
The voting rights attached to shares may not be conferred upon the holders of a right of usufruct and holders of a right of pledge on such shares.

16.2 Shareholders may be represented at a meeting by a proxy authorised in writing.

16.3 The quorum for the validity of the shareholders' meetings shall be more than fifty per cent of the shares. Resolutions shall be adopted with an absolute majority of votes cast.

16.4 Shareholders may adopt any resolutions which they could adopt at a meeting,

without holding a meeting, provided that the Directors have been able to advise all the shareholders on such resolutions. Such a resolution shall only be valid if all shareholders entitled to vote have cast their votes in writing, by letters, fax, e-mail or telegram or in some other written form and all shareholders have expressed themselves in favour of the proposal concerned.
Those who have adopted a resolution without holding a meeting shall forthwith inform the Board of Directors thereof.

16.5 Any member may participate in a general meeting by means of videoconference or similar communications equipment whereby all persons participating in the meeting can hear each other, may intervene in the discussion and vote in real time. The participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. A member taking part in such a conference shall be entitled to vote and be counted in the quorum, referred in article 16.3, accordingly. Such a meeting shall be deemed to take place where the chairman and the secretary to the meeting are located. The word "meeting" in the articles shall be construed accordingly.

Article 17. Financial year. Annual accounts.

17.1 The financial year shall coincide with the calendar year.

17.2 Annually within five months after each financial year, the Board of Directors shall prepare annual accounts and shall make these available at the office of the Company for inspection by the shareholders.
The annual accounts shall be accompanied by the auditor's certificate referred to in article 18, if the instructions referred to in that article have been given, and by the annual report, unless section 2:403 of the Dutch Civil Code is applicable to the Company, as well as by the additional information referred to in section 2:392, subsection 1 of the Dutch Civil Code, to the extent the provisions of that Subsection apply to the Company.
The annual accounts shall be signed by all Directors. In the event the signature of one or more of them is lacking, this shall be disclosed, stating the reasons thereof.

17.3 The general meeting shall adopt the annual accounts.

Article 18. Auditor.

The annual general meeting of the shareholders shall appoint a chartered accountant or equivalent expert as auditor as referred to in section 2:393 of the Dutch Civil Code, to examine the annual accounts and report, if any, prepared by the Board of Directors in accordance with subsection 3 of such section.
The appointment of the auditor may be revoked at any time by the general meeting or by the Board of Directors if it has been given such instructions by the shareholders.
The auditor shall report on his examination to the Board of Directors and shall issue a certificate containing the results thereof. The general meeting has the right to have the auditor comment on his report.

Article 19. Profit and loss

19.1 The profits shall be determined in accordance with generally accepted

accounting standards.

19.2 Distribution of profits pursuant to this article shall take place following the adoption of the annual accounts from which it appears that such distribution is allowed. On each share, whether or not the nominal amount is fully paid up, the same amount shall be paid.

19.3 The profits shall be at the free disposal of the general meeting.

19.4 When determining the division of the amount to be distributed among shareholders, shares which are held by the Company shall not be counted.

Article 20. Distribution of profits.

20.1 Dividends shall be due and payable at a date determined by the general meeting upon proposal of the Board of Directors. If the Board of Directors does not make such proposal the dividends shall be due and payable four weeks after the dividends have been declared.

20.2 The general meeting may resolve that dividends shall be distributed in whole or in part in a form other than in cash.

20.3 The general meeting may resolve to distribute all or any part of the reserves.

20.4 An interim dividend out of the profits made in the current financial year shall be distributed if the general meeting upon the proposal of the Board of Directors so determines.

Article 21. Amendment of the Articles of Association.

The general meeting may resolve to amend these Articles of Association. When a proposal to amend these Articles of Association is to be made at a general meeting of shareholders, the notice of such meeting must state so and a copy of the proposal, including the verbatim text thereof, shall be deposited and kept available at the Company's office for inspection by the shareholders at least fifteen (15) days before the meeting, until the conclusion of the meeting.

Article 22. Liquidation.

22.1 If the Company is dissolved pursuant to a resolution of the general meeting, it shall be liquidated by the Board of Directors, if and to the extent the general meeting shall not resolve otherwise.

22.2 After the Company has ceased to exist, the books and records of the Company shall remain in the custody of the person designated for that purpose by the liquidators during a seven year period.

Article 23. First Financial Year

The first financial year of the Company shall end on the thirty-first day of December two thousand thirteen. This article and its heading shall cease to exist after the end of the first financial year.

Finally, the person appearing has declared:

(a) at incorporation, four thousand (4,000) shares with a nominal value of five euro (EUR 5), hereinafter: **Issued Shares**, are issued at par, which Issued Shares are hereby subscribed for by the Incorporator.

The Issued Shares have been paid up in full, or shall be paid up in full immediately after incorporation, either in cash, by transfer to a bank account to

be designated by the Company or by any other means to be agreed upon by the Company and the Incorporator. Payment in a different currency unit than the currency of the nominal value of the Issued Shares is permitted. To the extent applicable, the Company hereby accepts payments made on the Issued Shares;

(b) the first Management Board members are:
Roberto Castriota, born in Rome, Italy, on the eighteenth day of January nineteen hundred and fifty-eight;
Anna Massi, born in Rome, Italy, on the twenty-fourth day of February nineteen hundred and sixty-seven; and
Massimiliano Pieri, born in Chianciano Terme, Italy, on the third day of November nineteen hundred and seventy-four.

Power of attorney

Of the abovementioned power of attorney to the person appearing has appeared to me, civil law notary, from one (1) power of attorney, which shall be attached to this deed (Annex).

End

The person appearing is known to me, civil law notary.
This deed was executed in Rotterdam, the Netherlands on the date stated in the first paragraph of this deed.
The contents of the deed have been stated and clarified to the person appearing.
The person appearing has declared not to wish the deed to be fully read out, to have noted the contents of the deed timely before its execution and to agree with the contents.
After limited reading, this deed was signed first by the person appearing and thereafter by me, civil law notary.

TRANSLATION

TNAM OIL AND GAS GROUP **SOCIALIST REPUBLIC OF VIETNAM**

Independence – Freedom - Happiness

No. 1312/ QD - DKVN *Hanoi, 04 May 2007*

DECISION

Ref. Ratification and promulgation of the Organization and Operation of Petrovietnam Exploration Production Corporation

EXECUTIVE BOARD OF VIETNAM OIL AND GAS GROUP

- Pursuant to Decision 199/2006/TTg dated 29 August 2006 by the Prime Minister on the establishment of a parent company named Vietnam Oil and Gas Group;

- Pursuant to Decision 36/2007/QD-TTg dated 14 March 2007 by the Prime Minister on the approval of the organization and operation regulations of Vietnam Oil and Gas Group;

- Pursuant to Official Correspondence 2260/VPCP-DMDN dated 02 May 2007 by the Government Office informing the Prime Minister's approval of the establishment project of Petrovietnam Exploration Production Corporation;

- Pursuant to Decision 1311/QD-DKVN dated 04 May 2007 by the Executive Board of Vietnam Oil and Gas Group on the establishment of Petrovietnam Exploration Production Corporation;

- At the request of the General Director of Vietnam Oil and Gas Group.

Decides

Article 1. To ratify and promulgate the Organization and Operation Regulations of Petrovietnam Exploration Production Corporation, a member corporation of Vietnam Oil and Gas Group (attached with this Decision);

Article 2. The Board of Members of Petrovietnam Exploration Production Corporation is responsible for operating and executing the Organization and Operation Regulations according to the ratified terms and other applicable regulations.

Article 3. This decision becomes effective as from the date of signing.

General Director of Vietnam Oil and Gas Group, Chief of the Secretariat, Heads of relevant departments of Vietnam Oil and Gas Group, Board of Members, and General Director of Petrovietnam Exploration Production Corporation shall take responsibility for implementing this decision.

To:
- General Director;
- PVEF (04 copies);
- Finance-Accounting Dept.,
  Personnel Organization Dept.;
- Group's other departments (e-copy);
- Members of the Group's Executive Board (e-copy);
- Archived in the office, the Executive Board.

FOR THE EXECUTIVE BOARD
CHAIRMAN

(signed and sealed)

Dinh La Thang

TRANSLATION

VIETNAM OIL AND GAS GROUP **SOCIALIST REPUBLIC OF VIETNAM**

Independence – Freedom - Happiness

REGULATIONS

ON THE ORGANIZATION AND OPERATION OF PETROVIETNAM EXPLORATION PRODUCTION CORPORATION

(attached with Decision 1312/QD-DKVN dated 04 May 2007 by the Executive Board of Vietnam Oil and Gas Group)

Chapter I

GENERAL REGULATIONS

Article 1. Interpretation

1. Capitalized terms in this Regulation have the following meanings:

a. "Petrovietnam Exploration Production Corporation" means the parent company. Petrovietnam Exploration Production Corporation is a one-member limited liability company with 100% of its charter hold by Vietnam Oil and Gas Group, established under Decision No. 1311/QD-DKVN dated 04 May 2007 by the Executive Board of Vietnam Oil and Gas Group and operates under the model of parent company – subsidiary company with a legal status;

b. "Affiliate of Petrovietnam Exploration Production Corporation" means any branch, representative office and dependent cost-accounting member which belongs to Petrovietnam Exploration Production Corporation;

c. "Subsidiary of Petrovietnam Exploration Production Corporation" means any company of which Petrovietnam Exploration Production Corporation holds 100% charter or holds controlling stakes or capital (referred as controlled company), or holds other controlling rights. A subsidiary may be parent company - subsidiary company, joint stock company, one-member limited liability company, multiple-member limited liability company, foreign-invested company, oversea company and other types of enterprise in accordance with relevant laws;

d. "Associated company of Petrovietnam Exploration Production Corporation" means any company of which Petrovietnam Exploration Production Corporation holds non-controlling stakes or capital. It has right and obligation ties with Petrovietnam Exploration Production Corporation depending on its pro rata capital contribution or according to agreements of the Association Contract entered into between that company and Petrovietnam Exploration Production Corporation. An associated company may be a joint stock company, multiple-member limited liability company,

foreign-invested company, oversea company and other types of enterprise in accordance with relevant laws;

đ. "Volunteer associated company of Petrovietnam Exploration Production Corporation" means any enterprise of which Petrovietnam Exploration Production Corporation does not hold stocks or capital; however, it voluntarily associates with Petrovietnam Exploration Production Corporation under various models according to the laws, has right and obligation ties with Petrovietnam Exploration Production Corporation according to agreements of the Association Contract entered into between that company and Petrovietnam Exploration Production Corporation.

e. "Member of Petrovietnam Exploration Production Corporation" includes subsidiaries, associated companies and volunteer associated companies;

f. "Charter of Petrovietnam Exploration Production Corporation" is the capital invested by Vietnam Oil and Gas Group and stated in this Regulations;

g. "Stock, controlling capital of Petrovietnam Exploration Production Corporation" in other enterprises, oil and gas Contracts and other business contracts means the stocks or capital contribution of Petrovietnam Exploration Production Corporation which make up more than 50% charter of those enterprises, oil and gas Contracts and business contracts;

h. "Controlling right of Petrovietnam Exploration Production Corporation" means the right of Petrovietnam Exploration Production Corporation to make decisions related to the operation regulations, appointment of key managerial posts, or the management, or the market, or services, or business strategy, or investment orientation, or technical orientation and other crucial decisions of its subsidiaries and controlled companies according to their regulations or agreements between them and Petrovietnam Exploration Production Corporation .

2. Other terms used in this Regulations have the same meanings as they do in the Civil Code, the Enterprise Law, the State-owned Enterprise Law, the Oil and gas Law, the organization and operation regulations of Vietnam Oil and Gas Group and other legal documents. The term "the Law" means Vietnam Law.

Article 2. Name and headquarters of Petrovietnam Exploration Production Corporation

1. Name: TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ.
2. International transaction name: **PETROVIETNAM EXPLORATION PRODUCTION CORPORATION**
3. Abbreviation: PVEP
4. Headquarters: No.133 Thai Thinh Street, Dong Da Distric, Hanoi
5. Petrovietnam Exploration Production Corporation has its logo registered and has full ownership, right of use and decision-making powers over its logo.

Article 3. Legal status and legal personality of Vietnam Exploration Production Corporation

1. Petrovietnam Exploration Production Corporation (referred as The Corporation) is a member company of Vietnam Oil and Gas Group with 100% of its charter held by Vietnam Oil and Gas Group. The Corporation has its own legal personality, seal, logo, organization and operation regulations; opens account at the State Treasury, domestic and foreign banks under the law; takes over all rights and obligations of the Petrovietnam Investment & Development Company and Petrovietnam Exploration and Production Company;

2. The Corporation has its own capital and assets and is responsible for debts with its whole assets;

3. The Corporation has the ownership, right of use and decision-making powers to its name, logo and trade mark according to the law.

Article 4. The Corporation's objectives and types of industry and business

1. Objectives

a. Do business profitably, preserve and develop the ownership capital in the Corporation and its affiliates; accomplish tasks assigned by the Group;

b. Maximize profits, harmonize profits with the effectiveness of the Corporation's entire operation;

c. Become a leading enterprise in the region in production scale, business scale and competence in oil and gas searching, exploring and exploiting inside and outside of Vietnam;

2. Types of industry and business

   The Corporation does business in oil and gas searching, exploring and exploiting in Vietnam and overseas with the following industries and businesses:

a. study, carry out researches to assess oil and gas potentials in areas of its concerns and assigned by Vietnam Oil and Gas Group;

b. search and explore oil and gas in areas of Oil and gas Contracts, projects assigned by the Group, including conduct geological, geophysical studies, perforate, explore, assess and analyze, explain and evaluate reserves and business potentials of oil and gas discovery;

c. expand and exploit oil and gas reserves;

d. invest in relevant projects in order to enhance the effectiveness of oil and gas reserves expansion and exploitation.

e. study, design, construct, install, operate and maintain oil and gas exploring and exploiting constructions;

f. import and export materials, equipments, documents, specimens, etc to support oil and gas exploring and exploiting projects and oil and gas contracts;

g. import and export crude oil which are under the decision-making power of the Corporation in oil and gas exploiting projects and oil and gas contracts.

h. invest in, buy, sell, assign and sign oil and gas projects, contracts and assets;

i. establish, buy and sell parts or the whole of domestic and oversea oil and gas companies and other enterprises;

j. working together to supply labours, human resources and experts for searching, exploring and exploiting oil and gas in domestic and international markets;

k. other industries and businesses in conformity with the law.

Article 5. Charter of the Corporation

1. Charter: 10,000,000,000,000 VND (ten thousand billion VND)
2. The charter can be increased due to:

- after-tax profits;
- capital supplemented by the Owner;
- other capital according to the law.

3. The charter increase adjustment of the Corporation is decided by the Owner according to the law. If any charter increase adjustment occurs, the Corporation is to make timely adjustments in its assets balance sheets, announce the charter and carry out procedures to adjust the charter stated in the Corporation's Regulations according to the law.

Article 6. Owner and ownership representative of the Corporation

1. The Group is the owner of the Corporation's whole charter. The Group performs its ownership rights and obligations over the Corporation according to the law.
2. The Group's Executive Board directly performs or appoints the Corporation's Board of Members to perform some ownership rights and obligations over the Corporation.
3. The Corporation's Board of Members is the direct ownership representative in the Corporation and entrusted by the Group's Executive Board to perform some ownership rights and obligations in the Corporation according to the law. The Corporation is also the ownership representative of companies of which it own 100% charter.

Article 7. The Corporation's legal representative

General Director of the Corporation is the Corporation's legal representative, except for otherwise decision by the Group's Executive Board.

Article 8. Relationship between the Corporation and State authorities

The Corporation is governed by State authorities according to the law.

Article 9. Party organization and other sociopolitical organizations in the Corporation

1. The Corporation's Vietnam Communist Party organization operates according to the State Law and Constitutions as well as the Regulations of Vietnam Communist Party.
2. other sociopolitical organizations in the Corporation operate according to the State Law and Constitutions as well as their Regulations in conformity with the law.

Chapter II

Rights and Obligations of the Corporation

Article 10. Rights and Obligations over the capitals and assets of the Corporation

Performed as regulated in Enterprise Law and the Corporation's Financial Administration Regulations.

Article 11. Rights and Obligations of the Corporation in operating production and business

1. Rights of the Corporation in operating production and business

a. Rights in the Corporation's production and business

- operate production and business in its discretion, organize the management system to meet with the business and ensure the business effectiveness;
- do legal and registered businesses, expand the business scale according to its capacity and domestic and international market demands;
- search new markets, domestic and oversea customers and contract agreements;
- decide the purchase and sale prices for products and services in its discretion, except community products and services and prices of products and service to be fixed by the State and the Groups;
- decide investment projects according to applicable law and the Group's division of responsibility; utilize the Corporation's capital and assets to form joint ventures, associate and make financial contribution to other domestic enterprises; lease, buy parts or the whole of other companies;
- sign oil and gas contracts with the Group to carry out oil and gas activities in Vietnam and with competent authorities to carry out oil and gas activities overseas according to relevant laws;

- utilize the Corporation's capitals or mobilized capitals to invest in the establishment of State one-member limited liability companies; working together to establish joint stock companies or multiple-member limited liability companies;
- establish branches, representative offices and subsidiaries inside and outside Vietnam according to the law;
- set up and apply labour and material norms, unit salary and other costs basing on the insurance of the Corporation's business effectiveness and in conformity with the law;
- recruit, employ, arrange, utilize, train, penalize, fire labours, choose appropriate salary payments and bonus matching the business requirements and obtain other rights according to Labour Law;
- entrust the wage budgets to dependent cost-accounting members and subsidiaries which are one-member limited liability companies;
- have other rights in production and business according to the market demands and in conformity with the law;

b. rights to take part in community activities

- produce and supply community products and services by way of tender. As per community services ordered or assigned by the State, the Corporation is obligated to sell products and supply community services to proper beneficiaries, with cost and prices stipulated by the State;
- the Corporation is considered to get supplemental investment in relevance to the community assignments, receive reasonable set-off costs paid for the communities activities; it must enter in to account, ensure the employees' interests by the following rules:

  As per products and services to be tendered for, the Corporation must make up for it own expenses according to the tender costs;

  As per products and services which can not be tendered but ordered by the State, the Corporation may use the costs or proceeds gained from the State-ordered products and services to make up for reasonable expenses for communities activities and ensure the interests of the employees. If the proceeds are not enough to make up for reasonable expenses, the State budget will pay for the deficient amounts and ensure the satisfactory interests of the employees.
- Set up and apply cost norms and unit salary in tender implementation cost and in financial estimates of State orders or assignments.
- Perform other rights of the Corporation according to the law.

c. Controlling powers over other enterprises:

The corporation holds controlling powers other enterprises through capitals, expertise, services, technologies, markets and trade mark according to the enterprises' Regulations or agreements between the Corporation and the enterprise.

2. Obligations of the Corporation in operating production and business

a. Obligations in the Corporation's production and business

- Operate exactly the registered industries and businesses; ensure the quality of the Corporation's products and services pursuant to the registered standards.
- Renew and modernize technologies and administration to enhance the effectiveness and competitiveness.
- Ensure rights and benefits of employees pursuant to labour law; ensure the right to jointly manage the Corporation of the employees according to the law.
- Comply with the State's regulations on national defense, public security, culture, social order, environment and resources protection.
- Apply the accounting and auditing system, financial report and statistical report according to the law and at the request of the State owner.
- Being under the supervision and control of the owner, obey decisions on inspection of financial authorities and other competent State authorities according to the law.
- Being responsible to investors for the capital utilization to establish new enterprises.
- Perform obligation of the Group's ownership representative in investing in other enterprises.
- Perform other obligation in business according to the law.

b. Obligations in taking part in community activities:

- Supply community services assigned or ordered by the Group to proper beneficiaries with State-stipulated costs and expenses;
- Take up communities activities assigned or ordered by the State or the Group and entrust parts or the whole of which to its subsidiaries for execution according to the regulations of the State and the Groups;
- sign contracts and enter into account according to the law; take responsibility to the State and the Group for the results of the Corporation's community activities, take responsibility to the law and customers for the community products and services implemented and supplies by the Corporation;
- Supply sufficient community products and services; ensure proper quality, beneficiaries and punctuation;
- Perform other community obligations according to the law.

The Corporation has the responsibility to take over legal obligations of Petrovietnam Investment & Development Company (PIDC) and Petrovietnam Exploration and Production Company (PVEP).

Article 12. Financial rights and obligations of the Corporation

Financial rights and obligations of the Corporation is stipulated in the Corporation's Financial Regulations ratified by the Group's Executive Board.

Article 13. Obligations and responsibilities of the Corporation over its subsidiaries and associated companies

1. The Corporation has the following responsibilities to the parent company - subsidiary company complex:

a. Orient the general business strategy of the parent company - subsidiary company complex in conformity with the Corporation's Regulations and its member's.

b. Coordinate among enterprises of the parent company - subsidiary company complex in order to seek for and supply inputs, sell products and services, which cannot be performed, or performed ineffectively or less effectively by a single enterprise.

c. Limit coincident investments and businesses as well as internal competition that disperse and waste the resources and reduce the business effectiveness of the parent company - subsidiary company complex;

d. Perform researches, marketing and commerce promotion, create the favourable conditions for enterprises of the parent company - subsidiary company complex to extend and enhance the effectiveness of their production and business;

e. Perform controlling rights over its subsidiaries under the controlled subsidiaries' Regulations. The Corporation may not abuse its controlling rights that compromise the benefits of its subsidiaries, creditors, stake-holders, other capital contributors and relevant parties.

2. The Corporation must take responsibility to make up for the loss of its subsidiaries and relevant parties if, without their agreement, it conducts the following activities that do harm to their benefits:

a. Compel its subsidiaries to contract and implement unequal and unfavorable commerce agreements;

b. Displace capitals and assets of its subsidiaries which are one-member State-owned limited liability companies without payments, except that the subsidiaries are to be reorganized or the purpose of the displacement is to supply community products and services;

c. Removed effective and profitable business activities from one subsidiary to another without its agreement which lead to its loss or severe profit declination;

d. Make decisions on its subsidiaries' production and business contrary to the law and regulations; assign the Corporation's tasks to its subsidiaries and associated companies without contracting commerce agreements with them;

e. Compel a subsidiary to make loans to the Corporation or other subsidiaries with low interest and unreasonable lending and paying conditions; or compel it to make loans to the Corporation or other subsidiaries to implement commerce agreements, which are risky to the lender's production and business;

Chapter III

RIGHTS AND OBLIGATIONS OF THE OWNER OVER THE CORPORATION

Article 14. Rights of the owner over the Corporation

The Group controls and conducts the performance of its ownership rights and obligations over the Corporation. The Groups' Executive Boards appoints the Corporation's Board of Member to perform some of the ownership rights according to the law, as follows:

1. At the request of the Corporation's General Director, The Group's Executive Board decides to:

a. ratify the Corporation's objectives, strategies, long term and short term plans, industries and business at the request of the Corporation's Board of Member;

b. ratify the Corporation's Regulations, amended and supplemented Regulations at the request of the Corporation's Board of Member;

c. reorganize, dissolve, diversify the Corporation's ownership at the request of the Corporation's Board of Member;

d. appoint, dismiss, cashier, commend and reward, penalize members of the Corporation's Board of member;

e. consent the appointment or contract with the Corporation's General Director at the request of the Corporation's Board of Member;

f. consent the Corporation's Chief Accountant at the request of the Corporation's Board of Member;

g. approve the project and decision on establish new enterprise with 100% of its charter held by the Corporation, reorganize, change ownership, dissolve affiliates of the Corporation;

h. ratify investment projects of the Corporation, projects invest outside of the Corporation but within the competence of the Group's Executive Board according to laws on investment;

i. decide the capital investment to form charter and regulate charter during the Corporation's operation at the request of the Corporation's Board of member;

j. decide the ratio of proceedings recovered form the Group's investment in the Corporation.

k. other rights according to the law and this Regulations.

Article 15. Obligations of the owner over the Corporation

1. Comply terms of the Corporation's organization and operation Regulations in respect of the ownership;

2. Ensure the Corporation's self-control and bear its own responsibilities in doing business, ensure the non-interference in the Corporation's business and other activities within the competence of the Board of Member, the General Director, and the Corporation's management system, except for matters of its competence under Article 14 of this Regulations;

3. During the Corporation's operation, if the actual ownership capital is less than the ratified charter, the owner is obligated to invest enough charter in the Corporation.

4. Be responsible for the Corporation's debts and other obligations in respect of assets to the extend of the Corporation's charter;

5. Comply laws on agreements in respect of sell, purchase, loan and lease of the Corporation and the ownership representative;

6. Perform other obligations according to the law and this Regulations.

Chapter IV

THE CORPORATION'S MANAGEMENT

Article 16. The management and operation system

1. The Corporation has it own management and operation system, including:

a. The Corporation's Board of Member; the controller;

b. The General Director, Deputy General Directors, Chief Accountant;

c. The management and operation assisting system of the Board of Member and the General Director.

2. The Corporation's management and operation system may be changed to conform with business demands during the operation. The Corporation must amend and supplement the Regulations as it modifies the management and operation system set out in part 1 of this Article.

Section I. THE CORPORATION'S BOARD OF MEMBER

Article 17. The legal status of the Corporation's Board of Member

1. The Corporation's Board of Member

i. is the direct ownership representative in the Corporation;.

ii. has the right to decide on behalf of the Corporation all matters related to the identification and implementation of the Corporation's objectives, tasks and rights as well as some ownership rights and obligations over the Corporation.

iii. is responsible to the Owner and the Law for every activity of the Corporation;

2. The Corporation's Board of Member may include at most 5 member appointed, dismissed, replaced, commended and rewarded, penalized by the Group's Executive Board at the request of the Group's General Director. A term of the Corporation's Board of Member lasts 5 years. The Board of Member may be reappointed.

Article 18. Responsibilities and powers of the Corporation's Board of Member

1. Receive, manage and utilize properly, maintain and develop capital, land, resources and other sources invested in the Corporation by the Group, decide in its absolute discretion the utilization of the enterprise in production and business after accomplishing its obligations to the State and the Groups;
2. Make decisions on the Corporation's strategies, long-term plans, annual business plans as well as types of industry business under the ratification of the Group's Executive Board and that of the subsidiaries which the Corporation hold 100% charter;
3. Decide projects on investment in, capital contribution to, and purchase stakes of other companies, sell the Corporation' s assets make up at most 50% of its total asset value stated in the Corporation's latest financial report;
4. Decide loan and lease agreements and other commerce agreements with value beyond the competence of the Corporation's General Director stipulated in the Corporation's Financial Regulations;
5. Decide plans on the Corporation's organization and management, business, personnel and employment of the management system, internal management regulations, labour programming and training, establishment of the Corporation's branches and representative offices at the request of the Corporation's General Director;
6. Request the Group's General Director to appoint, dismiss, remove, commend and reward, penalize the Corporation's General Director and Chief Accountant;
7. Decide to appoint, dismiss, remove, commend and reward, penalize the Corporation's Deputy General Directors with the prior written consent of The Group's General Director; determine the salary of managerial posts of the Corporation;
8. Approve the Corporation's General Director's appointment of the Corporation's section/department heads, vice heads, directors of its affiliates and other posts according to the gradation of responsibility;

9. Decide to appoint, dismiss, remove the chairperson and members of the Board of Member, Board of Member/Chairperson of one-member limited liability companies, appoint representatives of the Corporation's capital contributions in other enterprises at the request of the Corporation's General Director;

10. Approve the annual financial reports of the following entities:

a. the Corporation

b. subsidiaries which are one-member limited liability companies;

c. the parent company - subsidiary company complex.

11. Approve plans to utilize after-tax profits or settle losses during the business operation at the request of the Corporation's General Director according to the Corporation's Regulations;

12. Verify and supervise the Corporation's General Director, Deputy General Directors, Chief Accountant, Directors of the Corporation's affiliates in the performance of their tasks and responsibilities under the Enterprise Law and this Regulations;

13. Establish branches and representative offices of the Corporation's subsidiaries which are not within the competence of the Group's Executive Board;

14. Verify and supervise the Chairperson and members of the Board of Member, Chairpersons of member companies, directors of affiliates which are one-member limited liability companies, the direct manager of the Corporation's capital contributions in other enterprises in their performance of tasks and responsibilities assigned by the ownership representatives under the Enterprise Law and this Regulations, in conformity with the Regulations of one-member limited liability companies and enterprises which the Corporation has its capital contributions in;

15. Make decisions on the investments in subsidiaries, utilization of the Corporation's capital to invest in the establishment of new subsidiaries which are one-member limited liability companies, buy stakes and contribute capitals in other enterprises which do not exceed the amount of capital within the competence of the Corporation's Board of Member stipulated in part 3 of this Article; decide the business cooperation plans between the Corporation and its subsidiaries, adjust capital and other sources invested by the Corporation in its subsidiaries under these subsidiaries' Regulations;

16. Perform the ownership rights and obligations to subsidiaries which are one-member limited liability companies stipulated in Article 38 of this Regulations;

17. Perform rights and obligations of the stakeholder, capital contributor in enterprises which the Corporation hold stakes and capital contributions according to terms of Article 39, Article 40 and Article 42 of this Regulation;

18. Make proposals to the ownership representative to decide matters of the Corporation which are within the competence of the ownership representative stipulated in Article 14 of this Regulations and other matters according to the law;

19. Approve, assess and submit to competent authorities to ratify plans on investments and new investments, foreign-cooperative investment projects implemented with capital supervised by the Corporation.

Article 19. Criteria and terms to enter the Corporation's Board of Member

A person who wishes to enter the corporation's Board of member must satisfy the following criteria and terms:

1. Vietnamese citizen with residence in Vietnam and full civil capacity;

2. University graduate, strong management and business command, at least 3 years of experience in managing and running enterprises of major businesses or businesses which are similar to the Group's or the Corporation's;

3. Good health, good virtues, honest, upright, knowledgeable, and good law obedience;

4. Not an entity which is forbidden to undertake enterprises' managerial post according to the law.

Article 20. Appointment, remove and replacement of the Corporation's Board of Member

1. Members of the Corporation's Board of Member are appointed, removed, replaced , commended and rewarded, penalized by the Group's Executive Board at the request of the Group's General Director; members of the Corporation's Board of member may be concurrent or specialized;

2. A term of the Corporation's Board of Member lasts 5 years and may be reappointed.

3. A member of the Corporation's Board of Member may be removed or replaced if he/she:

a. is sentenced by a judgment of a Court or by a decision which is already legally enforced;

b. is incapable and unskilled to undertake the assigned tasks; lose his/her civil capacity or is restricted in performing his/her civil capacity;

c. is dishonest in performing his/her rights and responsibilities, or make corrupt use of his/her rights and position for his/her or others' benefits; make incorrect reports on the Corporation's financial status;

d. Breach terms of point a, part 2, article 27 of this Regulations;

e. resign voluntarily;

f. receive a decision on reappointment;

Article 21. Chairmanship of the Corporation's Board of Member

1. The Chairperson of the Corporation's Board of Member may not take the pot of the Corporation's General Director concurrently.

2 The Chairperson of the Corporation's Board of Member holds the following rights and obligations:

- Underwrite to receive capital, land, resources and other sources invested in the Corporation by the Group; supervise the Corporation;
- Verify and supervise the implementation of decisions by the Corporation's Board of member; hold rights to suspend the General Director's decisions which are against decisions of the Corporation's Board of Member;
- Hold researches on development strategies, long-term plans and investment projects with scale within the competence of the Corporation's Board of Member or submit to the Group's Executive Board for decisions; determine plans on innovation of the Corporation's organization and key posts;
- Other rights pursuant to decisions by the Group's Executive Board and in conformity with the law.

Article 22. Working regulations of the Corporation's Board of Member

1. The Corporation's Board of Member works under the collective system, employs the Corporation's staffs, hold rights to request the General Director, Chief Accountant, managerial staffs of the Corporation to provide information and documents on the Corporation's financial operation status according to the Information regulations stipulated by the Corporation's Board of Member. Any person who is requested to provide information must provide timely, sufficient and accurate information and documents at the request of the Corporation's Board of Member;

2. The operation expenses of the Corporation's Board of Member, including salary, allowance, and charge, shall be taken as the Corporation's administration expenses. Salaries and allowances of concurrent posts shall also be taken as the Corporation's administration expenses.

   If necessary, the Corporation's Board of Member is empowered to consult professional advisors in and outside of the Corporation before making important decisions within the competence of the Corporation's Board of Member. The consultation expenses are stated in the Corporation's financial regulations.

Article 23. Salary, allowance and bonus of the Corporation's Board of Member

1. Specialized members of the Corporation's Board of Member enjoy salary and allowance of the Corporation. Salary and allowance are on annual basis. Salary is paid monthly in advance and balanced annually. Annual bonus are paid partially every year, the rest shall be paid at the end of the term; the bonus for the last year of

the term is calculated according to the growth result of that year and of the whole term.

The salary and bonus is calculated basing on the Corporation's annual business result, in correlation with the Corporation's operation effectiveness and determined by the person who made the appointment.

2. Non-specialized members of the Corporation's Board of Member enjoy function allowance and bonus as specialized members of the Corporation's Board of Member.

Section II. CONTROLLER

Article 24. Board of controller

1. The Corporation has at most 3 controller appointed and dismissed by the Group's Executive Board at the request of the Group's General Director. Term of a controller is 3 years.
2. The Board of Controller has the following tasks:

a. Verify the legality and honesty of the Chairperson and members of the Corporation's Board of Member, the General Director and other managerial staffs in performing the ownership rights and in managing and operating the Corporation's production and business.

b. Assess financial reports, production and business reports, management evaluation reports and assignment reports before submitting to the Owner or relevant State authorities;

c. Make proposals to the Owner of solutions on modifying and supplementing the structure of the Corporation's management and operation system;

d. Verify the financial activities, supervise the obedience of cost-accounting system, the operation of internal check and auditing system;

e. Other tasks according to the law and this Regulations.

3. The controllers hold the following rights:

a. Read any documents of the Corporation in its headquarters, branches or representative offices without interfering in the Corporation's production and business activities;

b. Request the Chairperson and members of the Corporation's Board of Member, General Director and other managerial staffs to provide timely and sufficient information on the performance of ownership rights, the Corporation's management, operation, production and business.

4. Criteria and requirements of a controller

a. Residence in Vietnam with full civil capacity;

b. Good health, good virtues, honest, upright, and good law obedience;

c. Qualified in business, accounting, auditing or other professional specialties with at least one year of experience;

d. Not the Corporation's General Director, Deputy General Director, Chief accountant, spouses, parents, children, siblings of whom are not the Chairperson, members of the Board of member, General Director, Chief accountant, treasurer of the Corporation;

e. Specialized members of the Board of Controller may not at the same time take a leading post in the Group' management system;

5. The Board of Controller makes report and takes responsibility to the Group's Executive Board. The Board of Controller operates under the Regulation ratified by the Group's Executive Board.

6. The Controller enjoys salary, allowance and bonus determined by the Corporation's Board of Member according to the State law on salary and allowance and the Enterprise Law.

Section III. GENERAL DIRECTOR

Article 25. Functions of the General Director

The General Director is the legal representative of the corporation (unless otherwise determined by the Group's Executive Board) who runs the Corporation's daily activities according to the objectives, plans and decisions by the Corporation's Board of member and in conformity with this regulations, takes responsibility to the Corporation's Board of member and the law for the performance of the assigned rights and assignments.

Article 26. Selection, appointment, dismissal, commendation, reward and penalization of the General Director

1. The Corporation's General Director is selected, appointed, dismissed, contracted, recommended, rewarded and penalized by the Group's General Director at the request of the Corporation's Board of Member.

2. The General Director is appointed on a 5-year term basis.

3. The appointed general Director must satisfy the following criteria and requirements:

a. Residence in Vietnam with full civil capacity;

b. Capable to do business and run the Corporation; bachelor degree at least; has professional specialties and at least 3 years of experience in managing and operating business enterprise(s);

c. Good health, good virtues, honest, upright, knowledgeable, and good law obedience;

4. Entities which may not be appointed as the Corporation's General Director:

Persons who are forbidden to take over the managerial posts in enterprises according to the law.

Article 27. Replacement and dismissal of the General Director

1. The Corporation's Board of Member decide the dismissal of a General Director befor the determination of his term with the consent of the Groups' General Director according to terms of part 2 in this article.

2. A general Director is dismissed before the determination of his term in the following cases:

a. The Corporation suffers 2 years of loss, except for:

- Losses or declined profits of the ownership capital due to Force majeure which is already explained and approved by the Corporation's Board of Member;

- Losses or declined profits of the ownership capital due to investments, production extension, technology innovation under decrees and decisions of the Corporation's Board of Member;

b. The corporation suffers bankruptcy but it does not file document for bankruptcy according to laws on g bankruptcy;

c. Targets and quota assigned by the Corporation's Board of member are not accomplished;

d. The General Director is not honest in executing his rights make corrupt use of his/her rights and position for his/her or others' benefits; make incorrect reports on the Corporation's financial status

e. His/her civil capacity is dispossessed or limited

g. The General Director is sentenced by a judgment of a Court or by a decision which is already legally enforced;

h. Violate decisions by the Corporation's Board of Member and the Corporation's Regulations.

3. The General Director is replaced if he:

a. Resigns voluntarily

b. Receives a decision on reappointment or new post arrangement.

Article 28. Rights and Obligations of General Director

1. Set up the Corporation's annual plans, capital mobilization projects, investment projects, joint venture projects, organization and management projects, internal management regulations, labour programming and training, business cooperation projects among subsidiaries or with other enterprises and submit to the Corporation's Board of Member.

2. Decide projects on investments and purchase stakes of other companies, sell the Corporation's assets make up at most 50% of the total asset value stated in the Corporation's latest financial report according to the grade of responsibility or empowerment of the Corporation's Board of Member and other terms of applicable law.

3. Decide loan and lease agreements and other commerce agreements with value does not exceed the charter of the Corporation according to the grade of responsibility or empowerment of the Corporation's Board of Member and other terms of applicable law.

4. Make decisions on plans to utilize the Corporation's capital and assets which make up at most 50% of the total asset value stated in the Corporation's latest financial report to make capital contributions and buy stakes in other domestic enterprises according to the grade of responsibility or empowerment of the Corporation's Board of Member and other terms of applicable law.

5. Make decisions on selecting, contracting, terminating contracts or appointing, dismissing, commending, rewarding and penalizing the Corporation's section/department heads, vice heads and other posts.

6. Make decision on appointing the Corporation's capital contribution representative in other enterprises with the approval of the Corporation's Board of Member.

7. Set up technical and economic norms, product standards, salary units in conformity with State regulations and submit to the Corporation's Board of Member for its ratification; verify the performance of norms, standards and unit prices stipulated internally in the Corporation;

8. Organize the execution of business plans, investment projects; determine market promotion, marketing and technical solutions; operate the Corporation's activities in order to execute decisions by the Chairperson of the Corporation's Board of Member.

9. Contract civil and commerce agreements of the Corporation. As per agreements with total value beyond the General Director's grade of responsibility stated in part 2, 3 and 4 of this Article, the General Director may sign after the decision of the Corporation's Board of Member.

10. Report the Corporation's Board of Member about the Corporation's production and business results; conduct public announcement of financial reports pursuant to the Government's stipulations.

11. Being under the verification and supervision of the Corporation's Board of Member, Controllers, and competent State authorities in respect of the performance of assignments and functions under applicable law.

12. Empowered to apply necessary measurements in emergency and make prompt report to the Corporation's Board of Member and competent State authorities.

13. Enjoy annual salary. The salary and bonus are relevant to the Corporation's business effectiveness and determined by the Corporation's Board of Member.

14. Other rights and responsibilities under applicable law, this Regulations and the Decision on appointment or the labor contract.

The salary and bonus payment and balance is performed as that of the Chairperson and members of the Corporation's Board of Member, unless otherwise stipulated by the Board of Member.

Section IV.

OBLIGATIONS, RESPONSIBILITIES, RIGHTS AND RELATIONSHIP BETWEEN THE BOARD OF MEMBER AND THE GENERAL DIRECTOR

Article 29. Relationship between the Board of Member and the General Director in managing and operating the Corporation

1. As executing decisions by the Corporation's Board of Member, if unfavorable matters for the Corporation are found, the General Director must report to the Corporation's Board of Member for its consideration and adjustment. The Corporation's Board of Member must consider the requests of the General Director. If the Corporation's Board of Member does not adjust their decision, the General Director still have to execute the decision but he/she may maintain his opinion and make petition to the Group's Executive Board.

2. Within 15 days after the end of a month, a quarter and a year, the General Director must deliver written reports on financial and business status and the Corporation's course of action in the next term to the Corporation's Board of Member.

3. The Corporation's Board of Member may attend or present by proxy in hand-over meetings, preparatory meetings for submitting projects to the Corporation's Board of Member chaired by the General Director. The Corporation's Board of Member or its proxy has the right to express its opinions but it cannot make the conclusion of the meeting.

Article 30. Obligations and responsibilities of the Corporation's Board of Member and the General Director

1. The General Director takes the responsibility to the Corporation's Board of Member and the law for the Corporation's operation and the performance of his/he rights and assigned tasks.

2. The Corporation's Board of Member takes responsibilities to the Group's Executive Board and the law for its decisions and the results and effectiveness of the Corporation's activities.

3. Members of the Corporation's Board of Member and the General Director:

a. are obligated to perform their assigned rights and tasks honestly and responsibly for the benefit of the Group and the Corporation.

b. may not make corruption use of their rights and positions in employing the Corporation's capital and assets for the benefit of their own or others', give the Corporation's assets to other people, disclose the Corporation's secrets in his/her capacity as the Chairperson, member of the Board of Member or General Director and for at least 3 years after his/her resignation, unless he/she is agreed to do so by the Group's Executive Board;

c. may not let their spouses, parents, children, adopted children, siblings take the post of Chief Accountant, treasurer of the Corporation, they are obligated to report the assignor of all commerce agreements, labor contract and civil contracts entered into by the Corporation and the Chairperson, or member(s) of the Board of Member or the General Director, or their spouses, parents, children or siblings; If a self-interest agreement is found and provided that it is not already signed, the Chairperson and the General Director may be required not to sign that agreement; if the agreement is already signed, it will be invalid, and the Chairperson, member(s) of the Board of Member or the General Director, as the case may be, must compensate for the Corporation and be treated according to applicable law;

d. If the Corporation does not fully pay its debts and other asset obligations when they become due and payable, the General Director must report to the Board of Member for a financial remedy and inform all of the Corporation's creditors about its financial status. The Board of member and the General Director may not make decision on salary rise, or deduct profits to pay bonus to managerial staffs and labors.

đ. If the Corporation does not fully pay its debts and other asset obligations when they become due and payable as well as perform terms stipulated in point d of this part, they will bear individual responsibility for losses of creditors.

e. If the Chairperson, member(s) of the Board of Member and the General Director violate the Regulation, make decision beyond their competence, make corrupt use of their rights and position which cause losses to the State, the Group and the Corporation, they will have to compensate according to applicable law.

4. The Chairperson, member(s) of the Board of Member and the General Director commit one of the followings but not to the extend that being brought to criminal proceedings:

a. let the Corporation suffer from losses;

b. cause ownership capital loss;

c. make decision on ineffective investment projects, unable to recover capital and pay debts;

d. unable to ensure the salary and other interests of the Corporation's labours under laws on labour;

d. let the happenings of default in capital and assets control, accounting, auditing and other institutions of the State.

they will be excluded from bonus, salary rise and be penalized according to extend of violation.

5. If the Chairperson is irresponsible and disobey terms of Article 21 in this Regulation which cause one of the violations set forth in Part 4 of this Article, he/she will be removed from his/her post and obligated to compensate depending on the extend of violation and consequences and according to applicable law.

6. The Chairperson or General Director will bear salary cut-down or be removed from his/her post and make compensation concurrently depending on the extend of violation and consequences and according to applicable law if he/she commits the following:

- Let the Corporation suffer from 2 consecutive years of loss; or unable to achieve the targeted profit ratio from the Group's capital for 2 consecutive years, or suffer losses and enjoy profits constantly without any remedy, except that the losses or profit ratio declination is ratified by a competent authority;
- The losses or profit ratio declination are due to objectives causes, which are explained and accepted by a competent authority; or due to new investment production extension and technology renovation.

7. If the Corporation suffers from bankruptcy but the General Director does not file documents for that bankruptcy, he/she will be removed from his/her post or suffer from contract termination and he/she will bear responsibility according to applicable law. If the General Director does not file documents for bankruptcy and the Board of Member does not request him to do so, both the General Director and the Board of Member will be removed from their posts or suffer from contract termination.

8. If the Corporation is to be reorganized, dissolved or changed in ownership, but it doesn't carry out procedures for reorganization, dissolution or ownership change, the Chairperson, members of the Board of Member and the General Director will be removed from their posts or suffer from contract termination.

Section V. DEPUTY GENERAL DIRECTORS, CHIEF ACCOUNTANT AND THE ASSISTANT APPARATUS

Article 31. Deputy General Directors and Chief Accountant

1. Deputy General Directors and Chief Accountant are assistants to the General Director

a. The Corporation's Chief Accountant is appointed, dismissed, commended and rewarded, penalized by the Group's General Director at the request of the Corporation's General Director with the prior written consent of the Group's Executive Board;

b. The Corporation's Deputy General Directors are appointed, dismissed, commended and rewarded, penalized by the Board of Member at the request of the Corporation's General Director with the prior written consent of the Group's General Director;

2. The Deputy General Directors assist the General Director in running the Corporation according to the assignments and authorization of the General Director, take responsibility to the General Director and the law for the assigned and authorized responsibilities. The authorization in respect of contacting commerce agreements or using the Corporation's seal must be executed in written according to applicable law.

3. The Chief Accountant is responsible for the organization and performance of accounting activities of the Corporation; assists the General Director in supervising the Corporation's finance according to law on accounting and auditing; take responsibility to the General Director and the law for the Corporation's financial activities and accounting system.

4. Deputy General Directors and Chief Accountant are appointed for a term of 5 years and may be reappointed.

Article 32. The management and operation assistant apparatus

Professional sections/departments are functioned to consult and assist the Board of Member and the General Director in managing and operating the Corporation's activities.

Depending on each period and the requirements in management and operation of the Corporation's production an business, the General Director determines the quantity of professional sections/departments, set up their functions, tasks and operation regulations and submits to the Board of Member for promulgation.

Section VI.

PARTICIPATION OF EMPLOYEES IN THE CORPORATION'S MANAGEMENT

Article 33. Mode of lemployees' participation in management

The employees may participate in the Corporation's management through the following manners and organizations:

1. General meeting or meeting of the representatives of the Corporation's employees;
2. The Corporation's Trade Union

3. Board of Civil Inspector

4. Perform rights of making petitions, appeals and denouncements under applicable law.

Article 34. Contents of the employees' participation in management

The employees hold rights to discuss and make suggestions before competent leadership determines the followings issue:

1. The Corporation's orientations, planned tasks, measures for production, business development and production rearrangement;
2. Measures for capitalizing and diversifying the Corporation's ownership
3. The Corporation's regulations and statutes related directly to the employees' rights and obligations;
4. Measures for labor safety, working environment, material and spiritual improvement, environment safety, training and retraining the Corporation's employees;
5. Cast ballot for the prestige of the Chairperson and members of the Board of Member, the General Director, Deputy General Directors and the Chief Accountant at the request of the Group;
6. Through general meetings, meetings of the representatives of the Corporation's employees and the Trade Union, the employees have rights to discuss and determine the following issues:

a. Contents or amended and supplemented contents of the collective labour agreement for contracting with the General Director;

b. Regulations on using welfare fund, bonus and planned targets of the Corporation related directly to the employees' rights and obligations in conformity the regulations of the State and the Group.

c. Assess the activity programmes and results of the Board of Civil Inspector;

d. Elect the Board of Civil Inspector

CHAPTER V

AFFILIATES, SUBSIDIARIES AND ASSOCIATED COMPANIES

Article 35. The Corporation's dependent cost-accounting members, subsidiaries and associated companies

The Corporation has its dependent cost-accounting members, subsidiaries and associated companies. Names of subsidiaries and associated companies at the time of the ratification of this Regulation is listed in the schedule of this Regulations.

Article 36. Relationship between the Corporation and its dependent cost-accounting members

The Corporation's dependent cost-accounting members operate under the Corporation's system of gradation in business, accounting, organization and personnel according to the organization and operation regulations of dependent

cost-accounting members set up by the General Director and ratified by the Board of Member. The Corporation takes responsibility for financial obligation arising from the commitments of dependent cost-accounting members.

Article 37. Relationship between the Corporation and its subsidiaries which are limited liability companies

1. One-member limited liability companies

1.1. One-member limited liability company is a member organized and operated under the Enterprise Law, the State's regulations on reforming a State-owned companies to one-member limited liability companies and other laws related to the unique characters of oil and gas exploration and exploitation which are specifically stated in these companies' organization and operation regulations.

1.2. The Corporation's Board of Member is the ownership representative of one-member limited liability companies. The Corporation's Board of Member executes the following rights and obligations to one-member limited liability companies:

a. Determine development strategy, ratify Regulations, amend and supplement the Regulations at the request of the Presidents of one-member limited liability companies;

b. Determine the charter adjustment at the request of the Presidents of one-member limited liability companies;

c. Determine to assign partial or the whole charter one-member limited liability companies to other entities. The assignment partial or the whole charter is executed according to the Regulations of one-member limited liability companies;

d. Determine the management structure, model; appoint, dismiss, remove, determine salary, bonus and other interests of the Presidents of one-member limited liability companies; devolve responsibilities to the Presidents of one-member limited liability companies, appoint, dismiss, remove, determine salary, bonus and other interests of the General Directors/Directors of these companies;

đ. Determine investment projects, loan, sell and purchase agreements with value make up at least 50% of the total assets value stated in the latest financial reports of one-member limited liability companies,

e. Organize the verification and supervision of one-member limited liability companies' business activities and management according to their Regulations.

g. Ratify annual financial reports, determine the utilization of profits and settle losses of one-member limited liability companies at their submission;

h. Determine models and measures to reorganize one-member limited liability companies according to their Regulations;

i. other rights stated in Regulations of one-member limited liability companies.

2. One-member limited liability companies, multiple-member limited liability companies are established under Enterprise Law to perform, on the Corporation's behalf, following rights under oil and gas contracts entered into by the Corporation and its partners;

2.1. Implement oil and gas activities under oil and gas contract pursuant to applicable law.

2.2 The Corporation is responsible for all financial obligations arising from commitments under oil and gas contracts;

2.3. Implement the cost-accounting system stated in the Corporation's Financial Regulations.

2.4. The Corporation determine the organization structure, personnel and the appointment of managerial posts according to terms of Enterprise Law, this Regulations, and these companies' organization and operation Regulations ratified by the Corporation's Board of Member.

Article 38. Relationship between the Corporation and its subsidiaries in which it has controlling capital contribution, multiple-member limited liability companies and companies to which it has the controlling power.

1. Subsidiaries which are joint-stock companies, multiple-member limited companies, joint-ventures, joint-operated companies, oversea companies (referred as controlled companies) are established, organized and operated according to laws on each type of company.

2. The Corporation performs its rights, obligations and responsibilities of a stakeholder, a member, a joint party, a party with controlling capital contribution in a subsidiary under applicable law and that company's regulations;

3. The Corporation manages its shares or controlling capital contribution in a subsidiary through its direct capital administrator in that subsidiary (referred as the direct controlling capital administrator).

4. The Corporation holds the following rights and obligations:

a. Appoint, dismiss, commend, reward, penalize, determine allowances and other interests of direct controlling capital administrators;

b. Request direct controlling capital administrators to make periodical and unscheduled reports on the financial status, business results and other matters of subsidiaries;

c. Assign tasks and request direct controlling capital administrators to ask for instructions on related matters beforc voting in subsidiaries, make reports on the utilization of sellable stocks and controlling capital to support the Corporation's develop orientation and objectives;

d. Recover dividends and bear risk of its capital contribution in subsidiaries;

e. Check and supervise the utilization of the capital contributed in subsidiaries;

f. Be responsible for the effectiveness of the utilization, maintenance, and development of the capital contributed in subsidiaries;

5. Rights and obligations of the Corporation' subsidiaries:

The Corporation' subsidiaries hold their rights and obligation under applicable law and the following terms:

a. Rights

- Take part in business cooperation plans under trade agreements with the Corporation and other member companies;
- Assigned by the Corporation to implement business and production contracts under trade agreements with the Corporation;
- Provided information by the Corporation; capable to take part in preliminary meetings and closing meetings; enjoy professional training; entitled to commendation and reward, etc.

b. Obligations:

- Execute the Corporation's Regulations and other internal rules and statutes, perform the Corporation's economic and technical norms and targets;
- Implement commitments under trade agreements with the Corporation;
- Set up production and business plans under the direction of the Corporation.

Article 39. Relationship between the Corporation and its associated companies

1. Associated companies, volunteer associated companies perform parts or the whole of rights and obligations stated in Part 5, Article 38 and stated specifically in trade agreements entered by themselves and the Corporation;
2. Corporation controls over volunteer associated companies in trademark, markets or by particular ties stated in the trade agreements entered by these companies and the Corporation.
3. Associated companies are established, organized and operated according to applicable law in relevance to each company's legal form..
4. The Corporation sends a representative to execute the rights and obligations of shareholders, investing members and joint-venture side pursuant to the associated companies or execute the tasks, the rights and the responsibilities under the associated contracts.

Article 40: The Corporation's name giving, name, brand name using

The names of the member units should be appropriate with The Corporation's one and carry the typical features of The Corporation's culture and job. The transaction name should show The Corporation's brand name pursuant to the consistent regulations of The Corporation's Member of The Board. This regulation is simultaneously shown in the transaction papers, envelopes, boards, and conference room.

The Corporation's brand name can be changed into money of capital of The Corporation to be a part of the chartered capital of the member units.

Section V. THE CORPORATION'S CAPITAL CONTRIBUTION DIRECT ADMINISTRATOR AT THE SUBSIDIARIES, ASSOCIATED COMPANIES

Article 41. Criteria and conditions of direct capital contribution administrator in subsidiaries and associated companies

1. The Corporation's direct capital contribution manager must respond to the following Criteria and conditions:

a. Residence in Vietnam with full civil capacity

b. Good vertues, good health conditions to take the task

c. Knowledgeable and observe the law

d. Have the qualifications in economy, enterprise finance or the main sector of the enterprise with the capital contribution, investment capital of The Corporation; having the capacity to do business and enterprise management; The Corporation's direct capital contribution administrator at the joint-venture companies with foreign capital should speak good foreign language to work with foreigners without interpreters;

đ. Not the spouses, parents, children, adopted children and siblings of the ownership representative, a member of The Executing Board, The Board of Member, The President, the Director, the General Director of the enterprise with the investment capital of The Corporation who is assigned to directly manage the capital contribution;

e. Have no capital enterprise establishment, capital borrowing, purchasing contracts relationship with the enterprises with the capital of The Corporation whose capital contribution is directly managed by the person, except for having equitation at the equitised companies.

2. The representatives become the candidates of The Executing Board, The Board of Member, the President, the Director, the General Director of the enterprises with the investment capital of The Corporation whose capital contribution is directly managed by the person who has the standards and conditions pursuant to the law and the regulation of the company.

Article 42. Rights and obligations of direct capital contribution administrators at The Corporation's subsidiaries and associated companies

1. Direct capital contribution administrators at The Corporation's subsidiaries and associated companies have the following rights and obligations:

a. Act as the representative for The Corporation to perform tasks, rights of shareholders, investors, joint-venture parties in subsidiaries and associated companies. Use the right of controlling share or controlling capital to orient the subsidiaries in implementing the Corporation's strategies and goals;

b. Be a direct candidate for the subsidiaries and associated companies' managerial posts pursuant to these companies' Regulation;

c. Supervise the business activities of subsidiaries and associated companies.

d. Report the Board of Member, The Corporation's General Director about the effectiveness of utilizing the controlling capital contribution;

e. Consult the Board of Member, the Corporation's General Director before voting at the Shareholder meetings, meetings of the Executing Board or the Board of Member of the subsidiaries on strategy, business plan, Regulations amendment and supplement, charter adjustment, dividends distribution, selling valuable assets

f. Be responsible to the Corporation's Board of Member for the management and effectiveness of the utilization of the Corporation's capital contribution in its subsidiaries. If they doesn't make required reports, make corrupt use of their right of being the capital contribution representative, being lack of responsibility which causes damage to the Corporation and the ownership representative, he must be responsible and make compensation pursuant to the law and the Corporation's financial Regulations.

2. The Corporation's direct capital contribution administrators enjoy salary, allowance, charge, responsibility subsidy, etc. under the decision of The Corporation's Board of Member.

CHAPTER VI
FINANCIAL MECHANISM

Article 43: Increase, decrease and adjust the Corporation's charter

1. The Corporation's charter is stated in Article 5 of this Regulations.

2. During the performance, the charter can be increased due to the following reasons:

a) Post-tax profits supplemented to the charter, including after-tax profits of subsidiaries with 100% capital held by the Corporation and the divided dividends from the enterprises with share or capital held by the Corporation.

b) Capital supplemented form the Owner for the Corporation or other sources;

c) The Group's Executing Board authorizes the Corporation to perform ownership function of the partial or total charter of a subsidiary of the Corporation.

3. The charter increase of the Corporation is decided by the Owners at the request of the Corporation's Board of Member and according to the law. In any case charter increase, the Corporation must make timely adjustment in the asset balance sheet, announce new charter and carry out procedure to adjust the Corporation's Regulations pursuant to the law.

4. In any case of charter increase or decrease, the Corporation should make timely adjustment in the accounting balance sheet, announce new charter and carry out procedure to adjust this Regulations.

5. The Owner is entitled to withdraw the invested capital in the Corporation only in case of charter decrease but it still have to assures the payment capacity of The Corporation. If the charter is not amended, the Owner is entitled to withdraw the capital only through the complete or partial transfer to other entities.

6. As per the ownership capital that is committed to invest in the Corporation, the Owner is responsible to make in time and full investment. If the owner does not make the committed capital fully and in time after 2 years, it will have to adjust the Corporation's charter.

Article 44. The management of Corporation's capital, asset, proceeds, cost, price and profit distribution

1. The management of Corporation's capital, asset, proceeds, cost, price and profit distribution is performed according to the Corporation's Financial Regulations issued by the Group's Executive Board

2. Contents of the Corporation's Financial Regulations are built upon the relating financial management principles and the legal regulations. The financial management regulations should include the following contents:

a. The Corporation's capital and asset management mechanism

b. The Corporation's revenue, cost, price management mechanism which regulate in details the power of The Board of Member, The General Director in decision making of purchasing and selling prices of the Corporation's products and services, purchasing bonds, bills; the price of transaction, broke, promotion, guest receiving, meeting organization, fixed asset depreciation extract which is not lower than the lever regulated by the State;

c. The management mechanism for the Corporation's business performance, profits distribution, funds and funds' purposes

d. The financial relationship between the Corporation and its members that are co-operating companies.

Article 45. Financial, accounting and auditing plans

1. The financial year of the Corporation commences on 1 January and terminates on 31 December according to the sun's calendar annually.

2. Annually before November, the General Director submits the Corporation's annual plans of business, investment, and finance to the Board of Member for its approval. The Board of Member have the responsibility to report the Group's Executive Board about The Corporation's annual plan of business, investment, finance as a basis to supervise and evaluate the results of the Board of Member and the General Director's business management.

3. In the period of 30 days before the end of targeted year, the General Director must submit The Board of Member the financial report for the reporting term of the Corporation and the parent-company- subsidiary company complex. The Board of Member has the responsibility to verify the financial reports and be responsible for the honesty of the figures. After verifying, they must submit to the Owner for its approval and deliver to the competent authorities pursuant to the law.

4. The Corporation executes the internal auditing processes pursuant to the law. The internal auditing processes aims at assisting the General Director's management and the Board of Member's surveillance.

5. The Corporation should be overt on finance pursuant to the grassroots' democratic regulations and the State law.

CHAPTER VII

RE-ORGANIZATION, OWNERSHIP SHIFT, DISSOLUTION AND BANKRUPTCY OF THE CORPORATION

Article 46: The Corporation's re-organization

The models to re-organize The Corporation include incorporation, separation, unification and other shifts pursuant to the law.

1. The Corporation's re-organization is decided by the Group's Executive Board, if necessary, or at the request of the Corporation's Member of The Board. The Corporation executes the re-organization by the order and procedure of applicable law.

2. Detailed responsibilities of the Corporation when re-organized:

- In case of the Corporation division: the divided Corporation stops its existence, the new companies are co-responsible for the unpaid debts, labor contracts and other asset obligations of the divided Corporation.

- In case of The Corporation separation: The separated Corporation and company are co-responsible for the unpaid debts, labor contracts and other asset obligations of the separated Corporation. Rights of the separated Corporation are clearly fixed to the separated companies.

- In case of The Corporation unification: The unified companies stops their existence, have the rights pursuant to the law, are co-responsible for the unpaid debts, labor contracts and other asset obligations of the unified Corporation.

- In case of The Corporation incorporation: the unified companies have the rights pursuant to the law, are responsible for the unpaid debts, labor contracts and other asset obligations of the incorporated companies.

Article 47: The Corporation ownership shift

1. The Corporation shifts its ownership in the following models:

a) Equitizing the Corporation completely or partially

b) Selling the Corporation completely or partially

2. When receiving decision on ownership shift, The Corporation will execute the shift by the order and procedure of applicable law on the ownership shift

Article 48: The Corporation dissolution:

1. The Corporation will be dissolved in the following cases:

a) Long-term lost in the revenue but has not come to bankruptcy

b) Unable to perform tasks required by The Group after using necessary solutions;

2. The Corporation executes the dissolution by the order and procedure required by the law.

Article 49: The Corporation bankruptcy

When the creditor requires to pay debts in time, despite of necessary financial solutions, The Corporation is unable to pay these debts, thus the legal representative of the Corporation must submit or request the ownership representative to submit application for bankruptcy procedure pursuant to the Law of Bankruptcy. .

CHAPTER VIII
THE CORPORATION'S FILES AND DOCUMENTS

Article 50: The right to access to The Corporation's files and documents

1. Annually, The Corporation's Member of The Board is responsible for reporting the Group's Executive Board on the business and finance activities.

2. If needed, The Group's Executive Board has the right to request in written the Corporation's Board of Member to submit the related documents and files.

3. The Corporation's President has the responsibility to prepare and report so that the Corporation's Member of The Board submit documents and files at the request of the Group's Executive Board

4. The Board of Member has the right to request The Corporation's General Director, Deputy General Directors, administrators to submit every files, documents related to the execution of the Board of member's functions and responsibilities.

5. The General Director is responsible fort the Corporation's file and document storage and security

Article 51: Information disclosure

1. The General Director will execute the legal regulations and the Regulation on information disclosure and be responsible for the execution. The department, which stores the Corporation's files and documents, may only reveal the information to the public under the General Director's decision or the authorized person.

2. Tables, contents and place to send information pursuant to the law.

3. In case of request for verification by the State authorities or the Group, The General Director is responsible for providing information pursuant to the regulation on verification and inspection

Chapter IX

SETTLE INTERNAL DISPUTES AND THE CORPORATION'S REGULATION AMENDMENT

Article 52: Settle internal disputes

The settlement of internal disputes related to trade agreements between The Corporation and its member companies or between member companies are conducted according to applicable law

Article 53: Regulation amendment and supplement

1. Every regulation amendment and supplement is decided by the Group's Executive Board.
2. The Corporation's Board of Member has the right to suggest The Group's Executive Board about the regulation amendment and supplement.

Chapter X

EXECUTIVE ARTICLE

Article 54: Executing effect

1. This regulation comes into effect on the date of decision promulgation.
2. Every individuals and members of Petrovietnam Exploration Production Corporation shall take responsibility for implementing terms of this Regulation.

This Regulation is issued in Hanoi.

FOR THE EXECUTIVE BOARD
CHAIRMAN

(signed and sealed)
Dinh La Thang

SCHEDULE

LIST OF MEMBER COMPANIES AND AFFILIATES OF PETROVIETNAM EXPLORATION PRODUCTION CORPORATION

(at the time of establishment)

No.	List
I	One-member limited liability companies with 100% of charter held by the Corporation
1	Thai Binh Oil and Gas Company Limited (PVEP – Thai Binh Ltd.): to explore and exploit oil and gas in Northern Delta (conversed from Thai Binh Oil and Gas Enterprise of the Petrovietnam Investment & Development Company);
2	Dai Hung Oil and Gas Company Limited (PVEP – Dai Hung Ltd.): to explore and exploit Dai Hung Mine (conversed from Dai Hung Enterprise of the Petrovietnam Exploration and Production Company);
II	One-member limited liability companies operate oil and gas contracts controlled and operated by the Corporation ;
1	433a&416b Algieria Operating Company Limited (PVEP – 433a&416b Algieria Operating Ltd.): to run the contractual exploration and exploitation at the plot of 433a&416b, Algieria. (The Corporation contributes 40% of chartered capital and is the manager which conversed from Algieria Branch of PIDC);
2	Amara Iraq Operating Company Limited (PVEP – Amara Iraq Operating Ltd.): to be established as satisfying requirements for operation in Iraq under the signed contract;
	Other new-established one-member limited liability companies which are qualified according to applicable law ;
III	Legal representative company limited of PVEP according to oil and gas contracts abroad;
1	NEM 1 Company Limited, Indonesia; the Corporation contributes 20% capital in NE Madura 1 Oil and Gas Contract (PVEP – NEM 1);
2	NEM 2 Company Limited, Indonesia; the Corporation contributes 20% capital in NE Madura 2 Oil and Gas Contract (PVEP – NEM 2);
3	Randugungting Company Limited, Indonesia; the Corporation contributes 30% capital in Randugungting Oil and Gas Contract (PVEP – Randugungting);
4	PM 304 Company Limited, Malaysia (PVEP – PM 304) shall be established on the basis that the Corporation contributes 15% capital in PM 304 Oil and Gas Contract, Malaysia).
IV	Joint-stock companies
	The Corporation will invested in these companies when available
V	Multi-member company limited; joint-venture companies
	a. Domestic - Cuu Long Joint Venture Company (Cuu Long JOC); the Corporation contributes 50% capital together with four foreign partners under the 15.1 plot contract;

	- Hoang Long Joint Venture Company (Hoang Long JOC); the Corporation contributes 41% capital together with three foreign partners under the 16.1 plot contract; - Hoan Vu Joint Venture Company (Hoan Vu JOC); the Corporation contributes 50% capital together with two foreign partners under the 09.2 plot contract; - Lam Son Joint Venture Company (Lam Son JOC); the Corporation contributes 50% capital together with one foreign partner under the 01&02/97 plot contract; - Thang Long Joint Venture Company (Thang Long JOC); the Corporation contributes 40% capital together with two foreign partners under the 15.2/01 plot contract; - Vietnam Russia Japan Joint Venture Company (VRJ JOC); the Corporation contributes 35% capital together with two foreign partners under the 09.3 plot contract; - Vietgasprom Joint Venture Company (VGP JOC); the Corporation contributes 50% capital together with one foreign partner under the 112-113 plot contract; - Con Son Joint Venture Company (Con Son JOC); the Corporation contributes 45% capital together with two foreign partners under the 10&11.1 plot contract; - Truong Son Joint Venture Company (Truong Son JOC); the Corporation contributes 40% capital together with two foreign partners under the 46/02 contract; b. Oversea PCPP-Malaysia Joint Venture Company; the Corporation contributes 30% capital together with two partners, Petronas Caligary and Pertamina in Malaysia, under the SK305 East Malaysia contract; Other joint-ventures and multi-member limited liability companies under potential oil and gas contracts
VI	Branches, representative offices and affiliates - PVEP's domestic branches and representative offices - PVEP's branches and representative offices abroad - Other affiliates

Tôi là: **Nguyễn Thị Lê**; CMND số: 013001266; cấp ngày 04/03/2010; nơi cấp: Công an thành phố Hà Nội;

cam đoan chịu trách nhiệm về tính chính xác của bản dịch từ tiếng Việt sang tiếng Anh trên và ký tên dưới đây.

I, **Nguyen Thi Le**, the undersigned; ID card No.: 013001266 issued on March 4, 2010 by Hanoi Public Security, do hereby assure and be responsible for the accuracy of the above translation from Vietnamese into English.

Người dịch (Translator)

Nguyễn Thị Lê

Ngày 05 tháng 03 năm 2013

On March 5, 2013,

Tại Phòng Tư pháp Thạch Thất-Hà Nội,

Chứng thực bà **Nguyễn Thị Lê**; CMND số: 013001266; cấp ngày 04/03/2010; nơi cấp: Công an thành phố Hà Nội; là người dịch, có chữ ký bên là đúng.

At the Thach That Justice Bureau, I do hereby certify that Miss **Nguyen Thi Le**; ID card No.: 013001266 issued on March 4, 2010 by Hanoi Public Security, is the translator and her affixed signature is true.

Số chứng thực:....208... Quyển số...01...SCT/CK
Certification No..............Book No.........SCT/CK

TRƯỞNG PHÒNG TƯ PHÁP THẠCH THẤT-HÀ NỘI
THE DIRECTOR OF JUSTICE BUREAU OF THACH THAT- HANOI

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
PHÒNG TƯ PHÁP
H. THẠCH THẤT - TP. HÀ NỘI

Trần Lan Hương

BỘ NGOẠI GIAO NƯỚC CHXHCN VIỆT NAM
MINISTRY OF FOREIGN AFFAIRS OF THE S.R. OF VIETNAM

CHỨNG NHẬN / HỢP PHÁP HÓA LÃNH SỰ
CONSULAR AUTHENTICATION

1. Quốc gia ....Viet Nam..............
Country

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This public document

2. do Ông (Bà) ....Trần Lan Hương.............. ký
has been signed by
3. với chức danh .....Head of Division..............
acting in the capacity of
4. và con dấu của .....Justice Office of Thach That, Ha Noi
bears the seal/stamp of City

được chứng nhận / hợp pháp hóa lãnh sự
Certified

5. tại ....Hanoi.............. 5. ngày. 07...03...2013...
at *the (dd/mm/yyyy)*
7. Cơ quan cấp. Consular Department..............
by
8. Số 0006888 .../CLS...
Nº

Ký tên và đóng dấu
Signature and seal/stamp

Chief of Division of Consular Department

Tạ Hồng Quang

EMBASSY OF THE REPULIC OF THE UNION OF MYANMAR
HANOI

Certified the signature and seal of ......Ta Hong Quang......of Consular Department of the Ministry of Foreign Affairs of the Socialist Republic of Vietnam is true and authentic. The Embassy, however, assumes no responsibility for the contents

MYANMAR EMBASSY CONSULAR SECTION HANOI

(Soe Thet Naung)
Counsellor

REG.No. 134 /2013
DATE: 12-3-2013

Deloitte

TRANSLATION

VIETNAM OIL AND GAS GROUP
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

(Incorporated in the Socialist Republic of Vietnam)

REVIEWED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 01 January 2012
To 30 June 2012

Tôi là: **Nguyễn Thị Lê**; CMND số: 013001266; cấp ngày 04/03/2010; nơi cấp: Công an thành phố Hà Nội;

cam đoan chịu trách nhiệm về tính chính xác của bản dịch từ tiếng Việt sang tiếng Anh trên và ký tên dưới đây.

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Người dịch (Translator)

Nguyễn Thị Lê

Ngày 05 tháng 03 năm 2013

On March 5, 2013,

Tại Phòng Tư pháp Thạch Thất-Hà Nội,

Chứng thực bà **Nguyễn Thị Lê**; CMND số: 013001266; cấp ngày 04/03/2010; nơi cấp: Công an thành phố Hà Nội; là người dịch, có chữ ký bên là đúng.

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Certification No................Book No.........SCT/CK

TRƯỞNG PHÒNG TƯ PHÁP THẠCH THẤT-HÀ NỘI

THE DIRECTOR OF JUSTICE BUREAU OF THACH THAT- HANOI

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
PHÒNG TƯ PHÁP
H. THẠCH THẤT - TP. HÀ NỘI

Trần Lan Hương

BỘ NGOẠI GIAO NƯỚC CHXHCN VIỆT NAM
MINISTRY OF FOREIGN AFFAIRS OF THE S.R. OF VIETNAM

CHỨNG NHẬN / HỢP PHÁP HÓA LÃNH SỰ
CONSULAR AUTHENTICATION

1. Quốc gia .... Viet Nam ....
Country

Giấy tờ, tài liệu này
This public document

2. do Ông (Bà) .... Trần Lan Hương .... ký
has been signed by
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acting in the capacity of
4. và con dấu của ...... Justice Office of Thach That, Ha Noi City
bears the seal/stamp of
....

được chứng nhận / hợp pháp hóa lãnh sự
Certified

5. tại .... Hanoi .... 6. ngày 07 /03 /2013
at *the (dd/mm/yyyy)*
7. Cơ quan cấp .. Consular Department ....
by
8. Số 0006883 /CLS
Nº

Ký tên và đóng dấu
Signature and seal/stamp
Chief of Division of Consular Department

Ta Hong Quang

EMBASSY OF THE REPULIC OF THE UNION OF MYANMAR
HANOI

Certified the signature and seal of ......Ta Hong Quang.........of Consular Department of the Ministry of Foreign Affairs of the Socialist Republic of Vietnam is true and authentic. The Embassy, however, assumes no responsibility for the contents

(Soe Thet Naung)
Counsellor

REG.No. 135 /2013
DATE: 12-3-2013

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietnam Exploration Production Corporation Ltd. ("the Corporation") presents this report together with the Corporation's consolidated financial statements for the period from 01 January 2012 to 30 June 2012.

THE BOARD OF MANAGEMENT

The members of the Board of Management of the Corporation who held office during the period and at the date of this report are as follows:

Mr. Do Van Khanh	President and CEO (appointed on 01 February 2012)
Mr. Nguyen Vu Truong Son	President and CEO (resigned on 01 February 2012)
Mr. Truong Hong Son	Deputy General Director
Ms. Vu Thi Ngoc Lan	Deputy General Director
Mr. Nguyen Tien Long	Deputy General Director
Mr. Cao Huu Binh	Deputy General Director
Mr. Tran Binh Minh	Deputy General Director
Mr. Nguyen Van Que	Deputy General Director
Mr. Dang Anh Tuan	Deputy General Director
Mr. Pham Nhu Khanh	Deputy General Director
Mr. Ho Vu Hai	Deputy General Director

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the consolidated financial statements of each period, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the period. In preparing these consolidated financial statements, the Board of Management is required to:

- Select appropriate accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether appropriate accounting principles have been followed, subject to any material departures, disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements to minimize errors and frauds.

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,

(signed and sealed)

Do Van Khanh
President & CEO

Hanoi, 31 August 2012

Deloitte

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No.: 347 /Deloitte-AUDHN-RE

REVIEW REPORT

To: **The Board of Management**
PetroVietnam Exploration Production Corporation Ltd.

We have reviewed the accompanying consolidated balance sheet of PetroVietnam Exploration Production Corporation Ltd. ("the Corporation") as at 30 June 2012, the related consolidated statements of income and cash flows for the period from 01 January 2012 to 30 June 2012, and the notes thereto (collectively referred to as "the consolidated financial statements"), as set out from page 6 to page 36. The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the Vietnamese Standard on Auditing No.910 - Engagements to review financial statements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Corporation's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

As disclosed in Notes 3 and 23 of the Notes to the consolidated financial statements, as at 30 June 2012, the Corporation identified and recognized the value of the deferred tax payable in accordance with Vietnamese Accounting Standard No. 17 "Income Tax" (VAS 17) relating to exploration and development expenses for oil and gas fields having commercial production with the amount of VND 4,417,144,413,823 of which the deferred tax payable incurred in the period from 01 January 2012 to 30 June 2012 was VND 197,427,195,279. At the date of these consolidation financial statements, the Corporation had not recorded deferred tax arising for cumulative period up to prior to the date of consolidation financial statements with an amount of VND 1,709,069,712,936. If the Corporation had fully applied VAS 17, deferred tax payable as at 30 June 2012 and as at 31 December 2011 on the consolidated balance sheets would have increased by VND 1,709,069,712,936 and items that correspond to the distributed profit would have decreased by the same amount.

Based on our review, except for the effect of the necessary adjustment that might have been made to the above issue, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view, in all material respects, the financial position of the Corporation as at 30 June 2012 and the results of its operations and cash flows for the period from 01 January 2012 to 30 June 2012 in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

Deloitte

REVIEW REPORT (Continued)

As stated in Note 3 of the Notes to the consolidated financial statements, the Corporation decides to recognise foreign exchange differences in accordance with Circular No. 201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance ("Circular 201"). The recognition of foreign exchange differences arising from revaluation of monetary items at the balance sheet date in accordance with Circular 201 differs from that as regulated in Vietnamese Accounting Standard No.10 (VAS 10) - Effects of changes in foreign exchange rates. The effect of the Corporation's adoption of Circular 201 on the consolidated financial statements for the period from 01 January 2012 to 30 June 2012 is presented in Note 3.

As stated in Note 32 of the Notes to the consolidated financial statements, in accordance with Vietnam Petroleum Law and prevailing relevant regulations, the Corporation and its business partners undertake to remove fixed works, equipment and facilities in service of petroleum exploration and production activities upon termination of petroleum exploration and production contracts. As at 30 June 2012, the Corporation made provision for decommissioning costs relating to Dai Hung mine and certain oil blocks under petroleum contracts. The Corporation has been researching and making an assessment on necessary decommissioning costs for which petroleum blocks are yet to be provided so as to form a basis for proper and adequate provision.

(signed and sealed)

Pham Hoai Nam
Deputy General Director
CPA Certificate No. D. 0042/KTV

(signed)

Bui Thi Thu Huong
Auditor
CPA Certificate No. 1688/KTV

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

31 August 2012
Hanoi, S.R. Vietnam

CONSOLIDATED BALANCE SHEET

As at 30 June 2012

FORM B 01-DN/HN
Unit: VND

ASSETS		Notes	30/6/2012	31/12/2011 Audited
A.	**CURRENT ASSETS**		**22,905,691,215,156**	**17,356,520,675,142**
I.	**Cash and cash equivalents**	4	**7,907,827,880,528**	**6,041,302,953,450**
	1. Cash		3,427,260,880,528	5,621,802,953,450
	2. Cash equivalents		4,480,567,000,000	419,500,000,000
II.	**Short-term receivables**		**13,947,792,281,251**	**9,962,524,245,555**
	1. Trade accounts receivable	5	11,982,785,322,685	8,786,825,901,789
	2. Advances to suppliers		139,435,064,804	78,472,215,291
	3. Advances to PSCs, JOCs		1,445,472,254,413	816,649,922,744
	4. Other receivables	6	437,366,705,175	337,843,271,557
	5. Provision of doubtful debts		(57,267,065,826)	(57,267,065,826)
III.	**Inventories**	7	**1,000,047,718,828**	**1,286,092,643,888**
	1. Inventories		1,389,390,714,306	1,675,435,639,366
	2. Provision for devaluation of inventories		(389,342,995,478)	(389,342,995,478)
IV.	**Other short-term assets**		**50,023,334,549**	**66,600,832,249**
	1. Short-term prepayments		6,928,126,476	767,451,262
	2. VAT deductibles		17,040,026,404	47,446,479,512
	3. Taxes and other receivables from the State budget from the State budget		62,846,558	-
	4. Other short-term assets		25,992,335,111	18,386,901,475

The notes set out on pages 11 to 36 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2012

FORM B 01-DN/HN
Unit: VND

ASSETS	Notes	30/6/2012	31/12/2011 (Audited)
B. NON-CURRENT ASSETS		**77,316,377,358,263**	**73,349,766,102,098**
I. Long-term receivables		**212,057,392,351**	**212,057,392,351**
1. Long-term receivables from customers	8	212,057,392,351	212,057,392,351
II. Fixed assets		**997,599,360,069**	**1,027,205,889,787**
1. Tangible fixed assets	9	636,829,583,654	642,819,161,539
- Cost		*1,447,105,188,139*	*1,442,774,127,777*
- Accumulated depreciation		*(810,275,604,485)*	*(799,954,966,238)*
2. Intangible fixed assets		12,110,585,297	17,230,858,707
- Cost		*71,000,263,091*	*70,117,995,376*
- Accumulated amortization		*(58,889,677,794)*	*(52,887,136,669)*
3. Construction in progress	10	348,659,191,118	367,155,869,541
III. Long-term financial investments		**1,123,523,335,565**	**458,493,343,816**
1. Investments in associates, joint ventures	11	1,123,523,335,565	458,493,343,816
IV. Other long-term assets		**74,983,197,270,278**	**71,652,009,476,144**
1. Exploration expenses	12	15,582,105,835,731	15,588,398,544,935
2. Development expenses	13	13,644,380,282,224	8,710,146,605,258
3. Long-term prepayments	14	45,566,854,221,923	47,160,343,379,284
4. Other long-term assets	15	189,856,930,400	193,120,946,667
TOTAL ASSETS		**100,222,068,573,419**	**90,706,286,777,240**

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2012

FORM B 01-DN/HN
Unit: VND

RESOURCES	Notes	30/6/2012	31/12/2011 (Audited)
A. LIABILITIES		**48,608,880,028,218**	**41,637,618,634,572**
I. Current liabilities		**26,974,726,901,731**	**26,413,460,841,293**
1. Short-term loans and liabilities	16	5,332,305,222,190	5,774,276,319,005
2. Trade accounts payable	17	869,299,569,250	3,109,181,413,744
3. Advances from customers		10,000,000,000	133,637,687
4. Taxes and amounts payable to	18	5,286,400,198,118	7,204,768,213,138
5. Payables to employees		93,212,437,106	101,134,134,893
6. Accrued expenses	19	7,456,111,796,541	6,577,386,998,092
7. Inter-company payables	20	7,171,381,304,779	2,981,781,337,749
8. Other short-term payables	21	279,493,637,821	187,139,082,995
9. Payable to PSCs, JOCs		456,473,872,791	421,008,944,113
10. Bonus and welfare funds		20,048,863,135	56,650,759,877
II. Long-term liabilities		**21,634,153,126,487**	**15,224,157,793,279**
1. Long-term loans and liabilities	22	14,463,935,409,583	9,945,293,680,867
2. Provision for severance allowance		2,044,909,583	1,785,750,748
3. Un-earned revenue		200,366,848,645	216,059,311,203
4. Deferred tax liabilities	23	4,417,144,413,823	2,510,647,505,608
5. Other long-term payables	24	2,550,661,544,853	2,550,371,544,853
B. EQUITY		**51,613,188,545,201**	**49,068,668,142,668**
I. Owner's equity	**25**	**51,613,188,545,201**	**49,068,668,142,668**
1. Charter capital		41,000,000,000,000	41,000,000,000,000
2. Foreign exchange difference		26,617,657,343	(41,889,548,987)
3. Investment and development fund		4,190,364,428,979	2,501,019,238,186
4. Financial reserve fund		6,390,865,848,189	5,602,731,834,528
5. Retained earnings		5,340,610,690	6,806,618,941
TOTAL RESOURCES		**100,222,068,573,419**	**90,706,286,777,240**

(signed and sealed)

Do Van Khanh
President & CEO

(signed)

Dinh Van Duc
Chief of Accountant

Hanoi, 31 August 2012

The notes set out on pages 11 to 36 are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT

For the period from 01/01/2012 to 30/6/2012

FORM B 02-DN/HN
Unit: VND

ITEMS	Notes	From 01/01/2012 to 30/6/2012	From 01/01/2011 to 30/6/2011
1 Gross sales	**26**	**32,018,973,259,939**	**25,031,544,241,086**
2. Deductions		**835,995,197,548**	**806,893,034,440**
+ *Export duty on crude oil*		*835,995,197,548*	*806,893,034,440*
3. Net sales		**31,182,978,062,391**	**24,224,651,206,646**
4. Cost of sales		15,419,218,431,046	8,607,151,412,457
5. Gross profit		**15,763,759,631,345**	**15,617,499,794,189**
6. Financial income	27	205,899,613,129	922,473,486,417
7. Financial expenses	28	647,071,495,013	1,422,723,305,137
Including: Interest expense		*548,243,403,201*	*432,469,756,306*
8. Selling expenses		16,969,247,171	13,791,877,816
9. Operating expenses		401,620,973,420	484,952,170,803
10. Operating profit		**14,903,997,528,870**	**14,618,505,926,850**
11. Other income		7,860,219,367	36,126,086,694
12. Other expenses		24,923,705,537	21,715,757
13. (Loss)/Profit from other activities		**(17,063,486,170)**	**36,104,370,937**
14. Accounting profit before accounting tax		**14,886,934,042,700**	**14,654,610,297,787**
15. Current corporate income tax expense	29	6,808,304,518,469	6,910,971,606,623
16. Deferred corporate tax expense	23	197,427,195,279	653,930,002,880
17. Share of (loss)/net profit of joint ventures, associates		(1,466,008,252)	263,456,804
18. Net profit after corporate income tax		**7,879,736,320,700**	**7,089,972,145,088**

(signed and sealed)

Do Van Khanh
President & CEO

(signed)

Dinh Van Duc
Chief of Accountant

Hanoi, 31 August 2012

The notes set out on pages 11 to 36 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

For the period from 01/01/2012 to 30/6/2012

FORM B 03-DN/HN

Unit: VND

ITEMS	From 01/01/2012 to 30/6/2012	From 01/01/2011 to 30/6/2011
I. CASH FLOWS FROM OPERATING ACTIVITIES		
1. *Profit before tax*	*14,886,934,042,700*	*14,654,610,297,787*
2. *Adjustments for:*		
Depreciation and amortisation	18,534,825,135	80,027,554,330
Provisions	-	(14,025,733,386)
Unrealized foreign exchange (gain) loss	(1,921,870,625)	346,728,886,238
Allocation of petroleum exploration and development	5,166,841,086,452	2,346,067,795,390
Interest expense	548,243,403,201	432,469,756,306
Decrease in exploration expense as per approved	3,269,534,745,287	-
3. *Operating profit before movements in working capital*	*23,888,166,232,150*	*17,845,878,556,665*
Changes in receivables	(3,923,800,917,837)	(2,546,083,112,328)
Changes in inventories	286,044,925,060	364,489,761,806
Changes in accounts payable	(289,539,597,538)	606,133,131,056
Changes in prepaid expenses	(15,094,012,164)	(208,570,701,278)
Interest paid	(472,537,163,953)	(422,668,091,523)
Corporate income tax paid	(8,656,740,342,692)	(8,125,581,127,948)
Net cash from operating activities	*10,816,499,123,026*	*7,513,598,416,450*
II. CASH FLOWS FROM INVESTING ACTIVITIES		
1. Acquisition and construction of fixed assets	(7,560,060,279)	(10,286,443,384)
2. Proceeds from disposals of fixed assets and investments	69,990,000	14,712,600,000
3. Cash recoverd from investments in other entities	(666,496,000,000)	(17,922,523,394)
4. Investments in petroleum exploration and development	(10,854,580,628,195)	(6,633,785,566,210)
Net cash used in investing activities	*(11,528,566,698,474)*	*(6,647,281,932,988)*
III. CASH FLOWS FROM FINANCING ACTIVITIES		
1. Exploration fund injected by Vietnam Oil and Gas Group	-	270,142,614,105
2. Profit paid to Vietnam Oil and Gas Group	(1,500,000,000,000)	(2,102,359,223,520)
3. Proceeds from borrowings	6,440,911,107,441	4,084,282,020,186
4. Repayment of borrowings	(2,362,318,604,915)	(2,203,958,369,660)
Net cash from financing activities	*2,578,592,502,526*	*48,107,041,111*
Net increase in cash	1,866,524,927,078	914,423,524,573
Cash and cash equivalents at the beginning of the period	6,041,302,953,450	3,393,405,918,247
Cash and cash equivalent at the end of the period	7,907,827,880,528	4,307,829,442,820

(signed and sealed)

Do Van Khanh
President & CEO

(signed)

Dinh Van Duc
Chief of Accountant

Hanoi, 31 August 2012

1. GENERAL INFORMATION

PetroVietnam Exploration Production Corporation Ltd. ("the Corporation") was incorporated under Decision No. 1311/QD-DKVN dated 4 May 2007 of Vietnam Oil and Gas Group, on the basis of restructuring Petro Investment and Development Company and Petro Exploration and Production Company. The Corporation was granted Business Registration Certificate No. 0104001279 dated 10 May 2007 by Hanoi Department of Planning and Investment. The Corporation consists of a holding company and its subsidiaries as follows:

- PVEP Song Hong Petroleum Limited Company
- PetroVietnam Overseas Exploration Production Operating Company Limited
- PetroVietnam Domestic Exploration Production Operating Company Limited

Up to 30 June 2012, the Corporation had issued a decision on the establishment of PVEP Venezuela Petroleum Company Limited with charter capital of VND1,000 billion but not yet transferred such capital.

Head office of the Corporation is located at 26th Floor, Charmvit Tower, Grand Plaza, No.117 Tran Duy Hung, Cau Giay District, Hanoi, S.R.Vietnam.

The principal activities of the Corporation are (1) to investigate, research, and assess potentiality and prospect of petroleum in regions that the Corporation are interested in and in other regions as assigned to the Corporation by Vietnam Oil and Gas Group; (2) search and explore oil and gas in the regions as stipulated in petroleum contracts and involve in projects assigned by Vietnam Oil and Gas Group, in respect of: geological and geophysical investigation, exploration drilling, appraisal, analysis, interpretation and estimation of petroleum reserve and evaluation of commercial prospect of petroleum discoveries; (3) develop petroleum field production; invest in related projects in order to enhance the effectiveness of oil and gas field production development; (4) build, install, operate and maintain exploration and production constructions; (5) import and export crude oil within the management of the Corporation under petroleum production projects and petroleum contracts; (6) invest, trade, transfer and sign petroleum contracts, projects and assets; (7) supply human resources and experts in petroleum exploration and production areas (excluding services like intermediary, introduction, recruitment and supplying labours for enterprises specializing in labour export).

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

Accounting period

The Corporation's financial year begins on 01 January and ends on 31 December.

The consolidated financial statements for the period from 01 January to 30 June are prepared for the Corporation's management purpose.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the operating period. Actual results could differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its enterprises controlled by the Corporation (its subsidiaries) up to 30 June 2012. Control is achieved where the Corporation has the power to govern the financial and operating policies of an invested enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation. All significant inter-company transactions and balances between group enterprises are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Corporation's equity therein. Minority interest shareholders consists of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Corporation except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Interests in joint-ventures

The Corporation conducts petroleum exploration and production activities under the joint venture with foreign partners through production sharing contracts (PSCs) or joint operating companies (JOCs). The Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognized in the consolidated financial statements of the Corporation and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis and its share of joint venture expenses. Income from the sale or use of the Company's share of the output of jointly controlled assets are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash and cash equivalents, trade receivables and other receivables, long-term receivables from customers, and other financial assets.

Financial liabilities

At the date of initial recognition financial liabilities are recognized at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Corporation comprise trade payables and other payables, borrowings, accruals and other long-term payables.

Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with a term not exceeding 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which costs higher than net realizable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprises their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and depreciation (Continued)

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	From 01/01/2012 to 30/6/2012
	Years
Buildings and structures	4 - 25
Machinery and equipment	3 - 6
Motor vehicles	6 - 7
Office equipment	3 - 5

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Cash advance in petroleum contracts

Cash advance in petroleum contracts represents receivables from or payables to operating companies in petroleum contracts at the balance sheet date.

According to the terms and conditions of PSCs and JOCs, monthly the joint operating company will requests contractors involving in the contracts to make an advance payment for estimated expenses to be incurred in the subsequent month, based on the approved work program and budget. Assets acquired or expenses incurred under the contract are recorded as assets and the cash advance in petroleum contracts in the Corporation's consolidated balance sheet is offset by respective amounts.

Exploration expenses

Petroleum exploration expenses include all direct and indirect expenses related to petroleum exploration activities per each petroleum contract or each petroleum exploration sites if self-conducted by the Corporation.

In a case where petroleum exploration period ends without any commercial discovery declared within the exploration site, all related expenses will be collected and allocated to the consolidated income statement within 5 years from the date of non-commercial discovery declaration.

Since 2012, the Corporation has periodically assessed the commerciality of projects in exploration period. For expenses incurred for the projects whose commercial production is low as assessed, resulting in the possible non-recovery of expenses, the Corporation will allocate these exploration expenses to income statement for the period up to 5 years

Unless otherwise required by the State's regulations, in case of commercial discovery, all related expenses will be collected and transferred to "long-term prepayments" and then allocated into expenses based on total estimated production volume of an oil field within the term of petroleum contracts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration expenses (Continued)

Where petroleum exploration is conducted as a basic geological inspection of mineral resources and funded by non-business expenditure source, such expenses will be collected, finalized and offset against the funding in accordance with prevailing financial regulations.

Development expenses in petroleum contracts

Development expenses includes all direct and indirect expenses incurred in the year related to development activities within the site and system of oil and gas production, processing and transporting as well. Development expenses arising from petroleum contracts are separated by each contract. Those development expenses will be transferred to "long-term prepayments" and allocated to petroleum production costs based on total estimated production volume of an oil field within the term of petroleum contracts.

Long-term prepayments

Long-term prepayments comprise approved exploration expenses and development expenses incurred under petroleum contracts with commercial discovery declared, prepaid office rental and other long-term prepayments.

The long-term prepayment representing exploration and development expenses as stated above are allocated, on a monthly basis, to petroleum production cost, based on the proportion of actual monthly production amount and total estimated production volume of an oil field within the term of petroleum contracts. The anticipated output is defined by the Corporation based on reports prepared by operators of PSCs and JOCs.

Periodically, the estimated reserve of oil field under the petroleum contracts will be reviewed by the Corporation. In case where there is change in the estimated reserve, the Corporation will adjust the allocation rate of exploration expenses and development expenses for coming years, accordingly.

Since 2012, the Corporation has periodically assessed the commerciality of projects in exploration period. For expenses incurred for the projects whose commercial production is low as assessed, resulting in the possible non-recovery of expenses, the Corporation will allocate these exploration expenses to income statement for the period up to 5 years

Owner's equity and profit distribution

Profit is distributed in accordance with Decision No.1081/QD-DKVN dated 14 February 2011 issued by Members' Council of Vietnam Oil and Gas Group ("Group") concerning the approval of the financial regulations of PetroVietnam Exploration Production Corporation with effect from 01 January 2010. The remaining profit of the Corporation after compensation of loss carried forward of the prior years and distribution to scientific and technological development fund and payment of corporate income tax will be further distributed as follows:

a) Share interests to shareholders in accordance with the joint-venture contracts (if any);

b) Compensate losses incurred in prior years expired for utilization as a deduction from profit before tax;

c) Allocate 10% to financial reserve fund which is 25% of the chartered capital at most;

d) The remaining profit after being distributed as presented in points a, b and c above is distributed by using the average proportion of capital invested by the Group and the Corporation's self-financed capital during the year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Owner's equity and profit distribution (Continued)

+ Profit attributable to the Group: The Corporation will undertake to transfer profit attributable to the Group within 07 working days from the issuance of Resolution of the Group's Members' Council approving profit sharing plan of the Corporation on periodical basis.
+ Profit attributable to the Corporation is distributed to the Corporation's investment and development fund, executive board bonus fund; bonus and welfare funds.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

(a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

(a) the amount of revenue can be measured reliably;
(b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
(c) the percentage of completion of the transaction at the balance sheet date can be measured reliably;
(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Sales of crude oil and natural gas including oil and gas cost recovery and profit oil payable to contractors are recognized when the goods are delivered and title has passed.

The Corporation has recognized revenue and relevant costs related to the whole gas transportation expenses of Block 06.1 and Block 11.2 as stated on the commercial invoice issued by the suppliers to the Corporation.

Foreign currencies

The Corporation applies the method of recording foreign exchange differences in accordance with Circular No. 201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date and are accounted for as follows:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

- Foreign exchange differences arising from revaluation of monetary items, short-term receivables and short-term payables denominated in foreign currencies at the balance sheet date are recorded in the consolidated balance sheet in the "foreign exchange reserve" item under the Owner's equity section.

- Foreign exchange differences arising from revaluation of long-term receivables are recorded in the income statement for the reporting period.

- Foreign exchange differences arising from revaluation of long-term payables are recorded in the income statement for the reporting period. Foreign exchange losses that are not recorded in the income statement are allocated to expenses within a maximum of 05 subsequent years.

The recognition of foreign exchange differences in accordance with Circular No. 201/2009/TT-BTC differs from that as regulated in Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". According to VAS 10, all foreign exchange differences arising from revaluation of balances denominated in foreign currencies at the balance sheet date are recognized in the income statement. The Board of Management has decided to recognise foreign exchange differences as guided in Circular No. 201/2009/TT-BTC and believes that such application and disclosure of differences at the same time, in the case where the Corporation would apply VAS 10, may provide more information to users of the consolidated financial statements. Accordingly, the adoption of Circular No. 201/2009/TT-BTC in recording foreign exchange differences makes the Corporation's profit before tax for the period from 01 January 2012 to 30 June 2012 decrease by VND 68,507,206,330 (the first 6 months of year 2011: increase by VND 369,928,925,776) and the "Foreign exchange reserve" item under Owner's equity section in the consolidated balance sheet as at 30 June 2012 decrease by VND 26,617,657,343 in comparison with the VAS 10 adoption.

Provisions

Provisions are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For loans financing development cost, borrowing costs are recognized in the income statement because they are not treated as recoverable costs as stipulated in petroleum contracts.

All other borrowing costs are recognized in the consolidated income statement when incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Corporate income taxes related to oil and gas production under production sharing contract is determined in accordance with provisions in the contract and the deem rate for each batch of oil in accordance with regulations of the Ministry of Finance and the tax authority for each period. Corporate income tax on other activities shall comply with current tax laws in Vietnam. The tax rate is calculated at 25% on taxable income.

As at 30 June 2012, the Corporation identified and recognized the value of the deferred tax payable in accordance with Vietnamese accounting standard No. 17 "Income Tax" (VAS 17) relating to exploration and development expenses for oil and gas fields having commercial production with the amount of VND 4,417,144,413,823 of which the deferred tax payable incurred in the period from 01 January 2012 to 30 June 2012 was VND 197,427,195,279. At the date of these consolidated financial statements, the Corporation had recorded deferred tax arising for cumulative period up to prior to the date of the consolidated financial statements with an amount of VND 1,709,069,712,936. If The Corporation had fully applied VAS 17, deferred tax payable as at 30 June 2012 and as at 31 December 2011 on the consolidated balance sheets would have increased by VND 1,709,069,712,936 and items that correspond to the distributed profit would have decreased by the same amount.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	30/6/2012 VND	31/12/2011 VND
Cash on hand	3,018,192,570	1,864,656,336
Cash in bank	3,424,242,687,958	5,619,938,297,114
Cash equivalents	4,480,567,000,000	419,500,000,000
	7,907,827,880,528	**6,041,302,953,450**

The cash equivalents as at 30 June 2012 included:

- Entrusted fund at PetroVietnam Finance Joint Stock Corporation (PVFC) with an amount of VND 50,000,000,000; VND 100,000,000,000 and VND 200,000,000,000 with a term of 1 month;
- Time deposit at Military Comercial Joint Stock Bank with an amount of VND 50,000,000,000 with a term of 1 month;
- Time deposit at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh Xuan Branch with an amount of USD 5,000,000 with a term of 1 month;
- Time deposit at Vietnam International Commercial Joint Stock Bank - Thang Long Branch with an amount of VND 50,000,000,000 with a term of 1 week or 1 month;
- Time deposit at Ocean Commercial Joint Stock Bank - Thang Long Branch with an amount of VND 50,000,000,000, VND 100,000,000,000 and VND 200,000,000,000 with a term of 1 month.

5. TRADE ACCOUNTS RECEIVABLE

	30/6/2012 VND	31/12/2011 VND
PetroVietnam Oil Corporation (oil entrusted to PV Oil for sale)	4,134,153,239,193	3,676,132,307,964
Foreign contractors (oil, gas, condensate)	1,042,210,245,770	1,309,216,503,504
Local customers (oil, gas, condensate)	5,788,083,867,178	2,773,690,891,558
Vietnam Oil and Gas Group (2D seismic acquisition)	112,302,542,354	112,302,542,354
PetroVietnam Construction Joint Stock Corporation (sale of Thai Binh Hotel)	146,197,780,297	142,011,145,166
PetroVietnam General Services Joint Stock Corporation (2D seismic vessel)	178,731,259,935	195,012,190,572
Operators (Sales of labor services)	292,458,097,259	252,164,063,364
Quad (capital transfer of Block 10,11.1)	43,329,639,659	105,813,639,659
Others	245,318,651,040	220,482,617,648
	11,982,785,322,685	**8,786,825,901,789**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN

These notes are integral part and should be read in conjunction with the accompanying consolidated financial statements

6. OTHER RECEIVABLES

	30/6/2012 VND	31/12/2011 VND
Receivable from contractors	16,000,182,158	4,627,370,962
Receivable from operators (*)	328,315,616,554	207,167,620,258
Receivable from Block 46 Cai Nuoc for PVN	-	78,514,898,581
Receivable from Block 16.1 Hoang Long	33,676,910,670	-
Others	59,373,995,793	47,533,381,756
	437,366,705,175	**337,843,271,557**

(*) Representing the costs receivable related to exploration, development and production activities by operators of petroleum blocks in which the Corporation has interest.

7. INVENTORIES

	30/6/2012 VND	31/12/2011 VND
Work in progress	567,486,137,547	834,569,775,944
Raw materials	821,904,576,759	840,865,863,422
	1,389,390,714,306	**1,675,435,639,366**
Provision for devaluation of inventories	(389,342,995,478)	(389,342,995,478)
Net realizable value of inventories	**1,000,047,718,828**	**1,286,092,643,888**

8. LONG-TERM RECEIVABLES FROM CUSTOMERS

Other long-term receivables represent the value of 2D seismic vessel under the Contract No. 77-2010/PTSC-TM/HD dated 26 March 2010 that should be receivable from PetroVietnam Technical Service Corporation (PTSC). The contractual amount shall be paid within 05 years with every annual instalment of 20%.

9. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor Vehicles VND	Office Equipment VND	Total VND
COST					
As at 01/01/2012	52,190,893,987	1,294,172,531,911	28,806,153,102	67,604,548,777	1,442,774,127,777
Additions	-	5,664,636,600	-	1,013,155,964	6,677,792,564
Disposals	(526,192,565)	-	-	(1,820,539,637)	(2,346,732,202)
As at 30/6/2012	51,664,701,422	1,299,837,168,511	28,806,153,102	66,797,165,104	1,447,105,188,139
ACCUMULATED DEPRECIATION					
As at 01/01/2012	37,074,145,109	695,698,098,965	23,457,179,756	43,725,542,408	799,954,966,238
Additions	1,389,202,081	3,942,729,597	672,241,984	6,528,110,348	12,532,284,010
Disposals	(395,482,304)	-	-	(1,816,163,459)	(2,211,645,763)
As at 30/6/2012	38,067,864,886	699,640,828,562	24,129,421,740	48,437,489,297	810,275,604,485
NET BOOK VALUE					
As at 30/6/2012	13,596,836,536	600,196,339,949	4,676,731,362	18,359,675,807	636,829,583,654
As at 31/12/2011	15,116,748,878	598,474,432,946	5,348,973,346	23,879,096,369	642,819,161,539

As at 30 June 2012, the cost of fixed assets which were fully depreciated but still in use, pending disposal was VND 63,359,074,557 (31 December 2011: VND 54,334,905,510).

10. CONSTRUCTIONS IN PROGRESS

	30/6/2012 VND	31/12/2011 VND
Phu My Hung Petro Finance and Trade Centre Project	347,584,057,152	365,795,933,300
PVEP VungTau office renovation expenses	-	284,802,275
Others	1,075,133,966	1,075,133,966
	348,659,191,118	367,155,869,541

11. INVESTMENTS IN ASSOCIATES JOINT VENTURES, ASSOCIATES

	30/6/2012 VND	31/12/2011 VND
Cost of investments	1,120,726,481,899	454,230,481,899
The Corporation's share of net profit of joint ventures and associates	2,796,853,666	4,262,861,917
	1,123,523,335,565	458,493,343,816

At the date of this report, the investments in joint venture, associates were stated at cost, as follows:

	30/6/2012		31/12/2011	
	VND	Percentage of ownership interest	VND	Percentage of ownership interest
Fairfield Vietnam Company Limited	18,318,632,036	25%	18,318,632,036	25%
Petromacareo Joint-Venture	1,102,407,849,863	40%	435,911,849,863	40%
	1,120,726,481,899		454,230,481,899	

11. INVESTMENTS IN ASSOCIATES JOINT VENTURES, ASSOCIATES (Continued)

Petromacareo Joint - Venture was established in Venezuela to upgrade and exploit oil reserve of block Junin 2, Orinoco Oil Belt, the Republic of Bolivar Venezuela.

12. EXPLORATION EXPENSES

	30/6/2012 VND	31/12/2011 VND
Local exploration expenses	11,506,009,914,024	10,698,076,815,774
Overseas exploration expenses	4,014,150,113,265	4,828,375,920,719
Project expenses (i)	61,945,808,442	61,945,808,442
	15,582,105,835,731	**15,588,398,544,935**

(i) Project expenses mainly represent accumulated expenses for management and implementation of the projects, the tasks of petroleum searching, exploration incurred by Petro Exploration and Production Company and Petro Investment and Development Company which have not been approved by competent authority for write-off.

The movement of the exploration expense during the period is as follows:

	From 01/01/2012 to 30/6/2012 VND	2011 VND
Opening balance	**15,588,398,544,935**	**16,862,898,439,263**
Increase	2,856,309,307,818	6,480,951,412,329
Projects in exploration period	*2,846,217,751,970*	*3,649,860,307,677*
Projects in development period	*10,091,555,848*	*2,831,091,104,652*
Decrease	(2,862,602,017,022)	(7,755,451,306,657)
Completion	-	*(6,482,132,823,307)*
Dry field written off (ii)	*(73,044,775,270)*	*(1,214,827,189,293)*
Amortization of projects with low production (iii)	*(2,221,042,614,588)*	-
Handed over of Block 05.2 BP to Vietnam Oil & Gas Group (iv)	*(568,514,627,164)*	-
Other decrease	-	*(58,491,294,057)*
Closing balance	**15,582,105,835,731**	**15,588,398,544,935**

(ii) Representing the remaining 10% of the total expense of Block Tanit - Republic of Tusinia and Block 16,17,18 the mainland of Cuba while another 90% of which was recorded to the income statement of the year 2011 in accordance with Decision No. 333/QD-TDKT dated 2 March 2012 issued by the Members' Council of PetroVietnam Exploration Production Corporation.

(iii) In accordance with Resolution No. 5989/NQ-DKVN dated 31 July 2012 issued by Vietnam Oil and Gas Group on approving plan of amortization of the Corporation's petroleum expense in 2012, the Corporation decided to amortize exploration expense of projects whose commercial production are low resulting in the non-recovery of expenses, to the income statement within five years from 2012.

(iv) In accordance with Resolution No. 1358/NQ-DKVN dated 12 June 2012 issued by Vietnam Oil and Gas Group, the Corporation transferred the rights and interest in relation to Block 05.2 BP to the Group.

13. DEVELOPMENT EXPENSES

	30/6/2012 VND	31/12/2011 VND
Local development expense	2,533,161,457,469	1,428,921,218,828
Overseas development expense	11,111,218,824,755	7,281,225,386,430
	13,644,380,282,224	**8,710,146,605,258**

Development expenses as at 30 June 2012 included initial joining fee of USD 442,000,000. The Corporation transferred this amount to the Republic of Bolivar Venezuela in order to invest in Block Junin 2 as presented in Note 11.

The movement of the development expenses during the period is as follows:

	From 01/01/2012 to 30/6/2012 VND	2011 VND
Opening balance	**8,710,146,605,258**	**4,410,682,177,376**
Increase	9,470,353,521,817	19,248,431,275,255
Decrease	(4,536,119,844,851)	(14,948,966,847,373)
Tranfer to long-term expense	*(4,536,119,844,851)*	*(14,948,966,847,373)*
Closing balance	**13,644,380,282,224**	**8,710,146,605,258**

14. LONG-TERM PREPAYMENTS

	30/6/2012 VND	31/12/2011 VND
Production Sharing Contracts	45,205,287,161,932	46,807,709,656,243
Others	361,567,059,991	352,633,723,041
	45,566,854,221,923	**47,160,343,379,284**

The movements in long-term prepayments during the year are as follows:

	From 01/01/2012 to 30/6/2012 VND	2011 VND
Opening balance	**47,160,343,379,284**	**32,448,376,666,293**
Additions	4,548,799,284,520	21,772,596,545,001
Allocated to expenses in the period	(6,142,288,441,881)	(7,060,629,832,010)
- Allocated to expenses in the period	*(5,166,841,086,452)*	(6,982,562,833,703)
- Amortization of projects with low production (i)	*(975,447,355,429)*	-
- Others	-	(78,066,998,307)
Closing balance	**45,566,854,221,923**	**47,160,343,379,284**

(i) In accordance with Resolution No. 5989/NQ-DKVN dated 31 July 2012 issued by Vietnam Oil and Gas Group on approving plan of amortization of the Corporation's petroleum expense in 2012, the Corporation decided to amortize the exploration and development expense of Block SK 305 which was of low commercial production, resulting in possible non-recovery of expenses, to income statement within five years from 2012.

15. OTHER LONG-TERM ASSETS

	30/6/2012 VND	31/12/2011 VND
Deposit for aequisition of Block 39 in Peru (*)	128,092,200,000	128,092,200,000
Long-term deposits	61,584,230,400	61,584,230,400
Others	180,500,000	3,444,516,267
	189,856,930,400	**193,120,946,667**

(*) Represents the deposit paid to Burling Resource Peru Company Limited-Peru Branch under Asset Sale and Purchase Agreement relating to Block 39 license contract with an amount of USD 6,150,000 as per Decision No. 853/QD-TDKT issued by the President and CEO of PetroVietnam Exploration Production Corporation Ltd. on 05 May 2011.

16. SHORT-TERM LOANS AND LIABILITIES

		30/6/2012 VND	31/12/2011 VND
Joint Stock Commerical Bank Investment and Development of Vietnam	(i)	501,370,637,084	813,091,432,376
Credit Agricole Corporate & Investment Bank Vietnam	(ii)	295,012,957,344	384,010,626,440
Military Commercial Joint Stock Bank	(iii)	379,050,549,461	612,881,258,680
Vietnam Joint Stock Commercial Bank for Industry and Trade - Chuong Duong branch	(iv)	-	292,984,015,428
ANZ Vietnam		365,988,053,900	992,061,175,640
Current proportion of long-term loans (Note 22)		3,790,883,024,401	2,679,247,810,441
Total		**5,332,305,222,190**	**5,774,276,319,005**

(i) Represents loan under trust disbursed from 6 October 2011 to 10 November 2011 payable to Joint Stock Commercial Bank for Investment and Development of Vietnam under the facility agreement No. 01/2307343/2010/HDTDHM/SGD3-PVEP dated 01 October 2010 with a credit limit of USD 100,000,000. The purpose of the facility is to finance operating expenses of the Corporation in compliance with prevailing laws and regulations. The facility is unsecured with maximum tenor for each drawdown of 12 months.

(ii) Represents loan under trust disbursed from 7 July 2011 to 15 July 2011 payable to Credit Agricole Corporate & Investment Bank Vietnam under the facility agreement No.CACIB/HN/PVEP/2010/0609dated 06 September 2010. The credit limit is USD 50,000,000 with purpose of the facility to finance operating expenses of the Corporation in compliance with prevailing laws and regulations. Maximum tenor of each drawdown is 12 months from disbursement date.

(iii) Represents loan under trust disbursed on 26 August 2011 payable to Military Commercial Joint Stock Bank under the facility agreement No. 888.09.054.898989/TD dated 11 September 2009 and appendix No.06 dated 12 August 2011. Total credit limit of the facility is USD 60,000,000 with purpose of the facility to finance operating expenses of the Corporation. Facility tenor is 12 months from the date of facility agreement and has been extended until 30 September 2012.

(iv) Represents loan under trust payable to ANZ Bank (Vietnam) Limited under the facility agreement dated 30 December 2011. Total credit limit of the facility is USD 50,000,000 with purpose of the facility to finance operating expenses of the Corporation. Maximum tenor of the facility is 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN

These notes are integral part and should be read in conjunction with the accompanying consolidated financial statements

17. TRADE ACCOUNTS PAYABLE

	30/6/2012 VND	31/12/2011 VND
Payable to contractors relating to capital contribution in petroleum contracts	591,698,463,426	2,535,209,589,514
Payable to customers of PVEP POC	182,962,051,265	380,918,579,877
BP Pipelines Vietnam (gas transportation cost)	-	44,168,133,071
Others	94,639,054,559	148,885,111,282
	869,299,569,250	**3,109,181,413,744**

18. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	30/6/2012 VND	31/12/2011 VND
Value added tax	118,310,014,922	142,247,410,507
Import - export duties	56,781,496,616	12,529,224,395
Corporate income tax	3,158,000,620,452	5,006,436,444,675
Natural resources tax	1,062,659,303,931	1,246,348,050,203
Profit oil and gas payable to the State budget (*)	865,012,913,194	769,831,310,945
Others	25,635,849,003	27,375,772,413
	5,286,400,198,118	**7,204,768,213,138**

(*) This is the profit oil and gas payable to the host country in conformity with petroleum contracts and will be paid to the Ministry of Finance per Circular No. 56/2008/TT-BTC dated 23 June 2008, providing guidance on declaration, payment and finalization of payables to the State Budget as regulated in Article 18 - Financial Regulations of the Holding Company -Vietnam Oil and Gas Group issued in conjunction with Decree No. 142/2007/ND-CP dated 5 September 2007 by the Government.

19. ACCRUED EXPENSES

	30/6/2012 VND	31/12/2011 VND
Accrued expenses of petroleum contracts (*)	6,849,006,077,530	6,260,353,801,837
PITA payables	4,236,932,247	25,877,128,462
Access fee of the Alger 433a/416b project	597,417,709,404	-
Others	5,451,077,360	291,156,067,793
	7,456,111,796,541	**6,577,386,998,092**

(*) Accrued expenses of petroleum contracts represent the costs payable related to exploration, development and production activities by operators of petroleum blocks in which the Corporation has interest.

20. INTER-COMPANY PAYABLES

Balance of inter-company payables as at 30 June 2012 mainly represent profit after tax payable to the Group after fund allocations have been made in accordance with the Financial Regulations of the Corporation issued in Decision No.1081/QD-DKVN dated 14 February 2011 of Vietnam Oil and Gas Group.

21. OTHER CURRENT PAYABLES

	30/6/2012 VND	31/12/2011 VND
Input VAT deducted for Block 11.2	70,564,704,399	63,230,031,251
Interest expense accrued	155,933,777,246	80,227,537,998
Others	52,995,156,176	43,681,513,746
	279,493,637,821	**187,139,082,995**

22. LONG-TERM LOANS AND LIABILITIES

		30/6/2012 VND	31/12/2011 VND
PetroVietnam Finance Joint Stock Corporation	(i)	4,447,102,007,800	2,566,359,941,955
Joint Stock Commercial Bank for Investment and Development of Vietnam	(ii)	546,587,162,856	751,139,525,709
Ocean Commercial Joint Stock Bank	(iii)	801,392,431,213	645,062,702,080
Vietnam International Commercial Joint Stock Bank	(iv)	346,851,287,500	338,585,175,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	(v)	3,679,119,066,482	2,299,764,934,257
Standard Chartered Bank - Hong Kong	(vi)	4,231,059,428,512	3,344,381,401,866
DBS Bank	(vii)	411,824,025,220	-
		14,463,935,409,583	**9,945,293,680,867**

(i) Represents outstanding principal payable to PetroVietnam Finance Joint Stock Corporation under facility agreement No. 18/PV-PVEP/TXV09 dated 08 May 2009 with credit limit of USD 138.33 million for 2009; facility agreement No.28/PV-PVEP/TD10 dated 5 May 2010 with credit limit of USD 149.17 million for 2010 and facility agreement No. 39/PV-PVEP/TD11 dated 8 June 2011 with credit limit of USD 171.33 million for 2011. The purpose of the facility agreements is to finance exploration projects under business plan in 2009, 2010 and 2011. Principal is repayable within 05 years from termination date of the project or date of declaring commercial discovery.

(ii) Represents outstanding principal payable to Joint Stock Commercial Bank for Investment and Development of Vietnam under long-term facility agreement No. 01/2307343/2009/HDTDDH dated 06 May 2009 with a facility amount of USD 76,280,000. The loan is to finance development and production in service of the project of Block 09.3-Mo Nam Rong, Doi Moi and is secured by the project cash flow in accordance with PSC. The Corporation has made 13 drawdown from 04 November 2009 to 30 June 2012.

(iii) Represents outstanding principal payable under long-term facility agreement No. 26/TDTT-DH/TD09 dated 02 June 2009. The facility is syndicated by the following lenders: PetroVietnam Finance Joint Stock Corporation, Ocean Commercial Joint Stock Bank, Vietnam Technological and Commercial Joint Stock Bank with respective participation of USD40,000,000, USD30,000,000 and USD5,000,000. Ocean Commercial Joint Stock Bank acts as lead arranger. The loan is to finance Block 46/02 development and production project, offshore, S.R Vietnam, implemented by Truong Son JOC. The borrower is entitled to 40% partner benefits in petroleum contract dated 12 December 2002. The loan tenor is 48 months from the first disbursement date.

22. LONG-TERM LOANS AND LIABILITIES (Continued)

(iv) Represents outstanding principal payable under long-term facility agreement No.22/HDTD PVEP - VIB 10/9 dated 22 October 2009. The facility is syndicated by the following lenders: Vietnam International Commercial Joint Stock Bank, Asia Commercial Bank, Sai Gon -Ha Noi Commercial Joint Stock Bank with respective participation of USD18,620,000, USD17,500,000 and USD15,000,000. Vietnam International Commercial Joint Stock Bank acts as lead arranger. The loan is used to finance development and production expenses (including reimbursement for past investment cost) relating to the oilfield at Block 09.2 (Ca ngu vang) in the South East of the continental shelf, S.R. Vietnam. According to Appendix No.22.01/HDTD PVEP –VIB 10/09 dated 3 August 2011, the total amount disbursed to the Corporation up to 22 April 2011 is USD 14,800,000 and The Corporation is entitled to get disbursed of only USD 13,229,231 in the future because Asia Commercial Bank and Sai Gon - Ha Noi Commercial Joint Stock Bank cease to co-finance the loan. The loan term is 60 months since the first disbursement date. Loan principal are repayable on a semi-annual basis after grace period of 33 months from the date of facility agreement.

(v) Represents outstanding principal payable to Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) under long-term facility agreement No. 01-2011/MDH/Vietinbank-PVEP dated 29 April 2011 for total commitment of USD 200,000,000. The loan is used to finance development and production expenses relating to Dai Hung oil field, Block 05-1 (a) offshore S.R Vietnam. Maximum loan tenor (including grace period) is 84 months from the first disbursement date. The payment is made in 10 equal instalments an on semi-annual basis. The first repayment falls on the first day after 30 months from the date of first disbursement. Grace period is 24 months from the date of first disbursement. Security: all revenue that the borrower earns from the sale of profit oil and /or gas as stipulated in petroleum contract for this project. Borrower commit to channel the above revenues to revenue collection account, maintain deposit balance at the lender account and insurance indemnity of the borrower under the insurance policy and the other receivables from the recovery of capital contributed in the project or share of proceeds from disposal of the assets acquired with the capital contribution, but not qualified as recoverable petroleum assets.

(vi) Represents outstanding principal payable under the credit facility dated 29 December 2010 for an amount of USD 430 million between the Corporation and group of syndicated banks, in which Standard Chartered Bank (Hong Kong) acts as a facility agent. Purpose of this facility is to finance the Corporation's petroleum production projects. The loan is withdrawn under disbursement schedule provided by the Corporation. The Corporation withdrew USD 326,000,000 up to 30 June 2012. Interest rate is LIBOR plus a margin and payable at the end of each repayment period.

(vii) Represents outstanding principal payable under the credit facility dated 30 March 2012 for an amount of USD 75 million between the Corporation and DSB bank. The purpose of this facility is to finance the exploration, development and production expenses relating to Block 16.1 Hoang Long of the Corporation. The repayment is made in 7 equal installments an on semi-annual basis. The first repayment falls on the first day after 24 months from the date of first disbursement.

22. LONG-TERM LOANS AND LIABILITIES (Continued)

The long-term loans are repayable as follows:

	30/6/2012 VND	31/12/2011 VND
On demand or within one year	3,790,883,024,401	2,679,247,810,441
In the second year	4,312,279,220,677	3,729,803,642,151
In the third to fifth year inclusive	6,552,969,043,404	4,045,612,954,541
After five years	3,598,687,145,502	2,169,877,084,175
	18,254,818,433,984	**12,624,541,491,308**
Less: Amount due for settlement within 12 months (shown under current liabilities in Note 16)	(3,790,883,024,401)	(2,679,247,810,441)
Amount due for settlement after 12 months	**14,463,935,409,583**	**9,945,293,680,867**

23. DEFERRED TAXIBILITIES

Deferred tax expense mainly represents the difference between recoverable cost amortised to cost of sales which is calculated based on estimated production and reserve quantity and share of recoverable cost as stated in petroleum contracts. The main reason is due to the fact that allocation rate differs from recoverable rate as stated in the petroleum contract.

As at 30 June 2012, the Corporation identified and recognized the value of the deferred tax payable in accordance with Vietnamese accounting standard No. 17 "Income Tax" (VAS 17) relating to exploration and development expenses for oil and gas fields having commercial production with the amount of VND 4,417,144,413,823 of which the deferred tax payable incurred in the period from 01 January 2012 to 30 June 2012 was VND 197,427,195,279. At the date of these consolidated financial statements, the Corporation had not recorded deferred tax arising for cumulative period up to prior to the date of these consolidated financial statements with an amount of VND 1,709,069,712,936. If The Corporation had fully applied VAS 17, deferred tax payable as at 30 June 2012 and as at 31 December 2011 on the consolidated balance sheets would have increased by VND 1,709,069,712,936 and items that correspond to the distributed profit would have decreased by the same amount.

The movement of deferred income tax during the period is as follows:

	From 01/01/2012 to 30/6/2012 VND	2011 VND
Opening balance	**2,510,647,505,608**	**347,260,770,765**
Charge to expenses in the period	197,427,195,279	323,765,787,100
Adjustment of deferred tax incurred in prior years (Note 25)	1,709,069,712,936	1,839,620,947,743
Closing balance	**4,417,144,413,823**	**2,510,647,505,608**

24. OTHER LONG-TERM PAYABLES

	30/6/2012 VND	31/12/2011 VND
Provision for abandonment cost of Dai Hung mine	1,135,998,876,131	1,135,998,876,131
Exploration fund payables to the Group (*)	1,414,372,668,722	1,414,372,668,722
Others	290,000,000	-
	2,550,661,544,853	**2,550,371,544,853**

(*) This amount reflects cash advance the Corporation received from the Group's exploration fund to conduct its petroleum exploration and production.

25. OWNER'S EQUITY

	Charter capital VND	Foreign exchange reserve VND	Investment and development fund VND	Financial reserves fund VND	Retained earnings VND	Total VND
As at 01/01/2011	**31,000,000,000,000**	**257,853,370,062**	**1,207,028,359,225**	**4,224,822,554,191**	**7,129,787,908**	**36,696,834,071,386**
Capital transferred by the Group	10,000,000,000,000	-	(1,207,028,359,225)	-	13,779,035,616,041	22,572,007,256,816
Profit payable to the Group	-	-	-	-	(9,822,740,444,379)	(9,822,740,444,379)
Distribution to investment and development fund	-	-	2,501,019,238,186	-	(2,501,019,238,186)	-
Distribution to financial reserve fund	-	-	-	1,377,909,280,337	(1,377,909,280,337)	-
Distribution to bonus and welfare funds	-	-	-	-	(76,917,549,389)	(76,917,549,389)
Foreign exchange differences	-	(299,742,919,049)	-	-	-	(299,742,919,049)
Others	-	-	-	-	(772,272,717)	(772,272,717)
As at 31/12/2011	**41,000,000,000,000**	**(41,889,548,987)**	**2,501,019,238,186**	**5,602,731,834,528**	**6,806,618,941**	**49,068,668,142,668**
Profit after tax	-	-	-	-	7,879,736,320,700	7,879,736,320,700
Profit payable to the Group (i)	-	-	-	-	(5,366,296,690,109)	(5,366,296,690,109)
Distribution to investment and development fund	-	-	1,689,345,190,793	-	(1,689,345,190,793)	-
Distribution to financial reserve fund	-	-	-	788,134,013,661	(788,134,013,661)	-
Distribution to bonus and welfare fund	-	-	-	-	(37,426,434,388)	(37,426,434,388)
Foreign exchange differences	-	68,507,206,330	-	-	-	68,507,206,330
As at 30/6/2012	**41,000,000,000,000**	**26,617,657,343**	**4,190,364,428,979**	**6,390,865,848,189**	**5,340,610,690**	**51,613,188,545,201**

(i) According to the Financial Regulations of PetroVietnam Exploration Production Corporation Ltd. as approved in Decision No. 2697/QD-DKVN issued by Vietnam Oil and Gas Group on 17 May 2007, profit after distribution to the financial reserve fund, bonus and welfare funds and executive board bonus fund, is further distributed to investment and development fund or to increase the Group-owned equity at a rate as approved annually by the Group, the remainder is fully transferred to the Group. During the period, the Corporation increased a half of the deferred tax expenses payable accumulated up to 31 December 2008 with an amount of VND 1,709,069,712,936 (Note 23) and decreased the profit transferred to the Group by the same amount.

26. GROSS SALES

	From 01/01/2012 to 30/6/2012 VND	From 01/01/2011 to 30/6/2011 VND
Sale from oil	28,554,266,059,724	22,390,997,070,959
Sale from consendate	694,357,864,021	405,067,779,052
Sale from gas	2,488,562,340,753	1,820,227,967,897
Others	281,786,995,441	415,251,423,178
	32,018,973,259,939	**25,031,544,241,086**

27. FINANCIAL INCOME

	From 01/01/2012 to 30/6/2012 VND	From 01/01/2011 to 30/6/2011 VND
Bank interest	178,089,796,188	28,308,247,904
Foreign exchange gain	27,809,816,941	890,329,825,139
Others	-	3,835,413,374
	205,899,613,129	**922,473,486,417**

28. FINANCIAL EXPENSES

	From 01/01/2012 to 30/6/2012 VND	From 01/01/2011 to 30/6/2011 VND
Interest expense	548,243,403,201	432,469,756,306
Foreign exchange loss	98,795,779,879	986,979,856,408
Others	32,311,933	3,273,692,423
	647,071,495,013	**1,422,723,305,137**

29. CURRENT CORPORATE INCOME TAX EXPENSE

	From 01/01/2012 to 30/6/2012 VND	From 01/01/2011 to 30/6/2011 VND
CIT on taxable income from petroleum exploration and production activities	6,807,596,241,147	6,856,801,513,278
CIT on taxable income from other activities	708,277,322	54,170,093,345
	6,808,304,518,469	**6,910,971,606,623**

Corporate income tax on crude oil and gas production activities under production sharing contracts is defined in compliance with the contract terms and using the deem rates fixed for each batch of oil as regulated by the Ministry of Finance and tax authority, from time to time. Corporate income tax on other activities is calculated in accordance with prevailing tax regulations in Vietnam at the tax rate of 25% of the total taxable income.

30. INVESTMENT COMMITMENTS

As at 30 June 2012, the Corporation had some commitments pertaining to investments in petroleum exploration projects as follows:

#	Name and date of agreement	Type of agreement	Exploring site	Partners	Operators	PVEP's share of interest
1	Block 16.2 Signing date 23/11/2007	PSC	Vietnam	Vietsopetro, Noex	PVEP	45%
2	Block 112 - 113 Signing date 11/09/2000	PSC	Vietnam	VietgasProm	VietgasProm	50%
3	MVHN-01KT Signing date 10/01/2008	PSC	Vietnam	Arrow Global	Arrow Global	30%
4	MVHN-02KT Signing date 10/10/2008	PSC	Vietnam	Keeper	Keeper	30%
5	Block 129-132 Signing date 27/10/2008	JOC	Russia	Gazprom	Gazprom	50%
6	Block 51 Signing date 12/5/2010	PSC	Malaysia	Mitra, Kufpec	Mitra	30%
7	Block 46/07 Signing date 28/6/2010	PSC	Vietnam	Mitra	Mitra	30%
8	Block 102, 106/10 Signing date 07/10/2011	PSC	Vietnam		PVEP, POC	100%
9	Block 45 Signing date 10/6/2011	PSC	Malaysia	Mitra	Mitra	30%
10	Block 39 - Peru Signing date 25/3/2011	SPA	Peru	Repsol, Reliance	Repsol	35%
11	Block 13/03 Signing date 21/12/2011	PSC	Vietnam	Santos limited	Santos	35%
12	Paleozoic sediments joint research project Signing date 10/01/2012		Uzbekistan	Uzbeneftegas	Uzbeneftegas, PVEP	50%
13	Block 67 - Peru Signing date 22/06/2012	SPA	Peru	Perenco Peru Ltd, Perenco Petroleum	Perenco Petrolei	50%
14	Block 101- 100/04 Tank Song Hong Singning date 13/4/2012	PSC	Việt Nam		PVEP	100%
15	Block Molabaur Signing date 12/7/2012	PSC	Uzbekistan		PVEP	50%

The Corporation and its partners have signed petroleum exploration agreements for the above projects with the term of ranging from 20 to 30 years.

31. FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximizing the return on the owner's equity through the optimisation of the short-term and long-term debt and equity balance.

The capital structure of the Corporation consists of net debts (borrowings disclosed in Notes 16 and 22 offset by cash and cash equivalents) and equity attributable to the owner (comprising charter capital granted by Vietnam Oil and Gas Group, reserves and retained earnings).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and recognition of income and expenses) for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

Financial instruments

	Carrying amounts	
	30/6/2012	31/12/2011
	VND	VND
Financial assets		
Cash and cash equivalents	7,907,827,880,528	6,041,302,953,450
Trade and other receivables	12,362,884,962,034	9,067,402,107,520
Long-term receivables from customers	212,057,392,351	212,057,392,351
Other financial assets	192,095,625,865	195,585,352,569
Total	**20,674,865,860,778**	**15,516,347,805,890**
Financial liabilities		
Loans	19,796,240,631,773	15,719,569,999,872
Trade and other payables	1,130,468,190,512	3,289,749,451,040
Accruals	7,456,111,796,541	6,577,386,998,092
Other long-term payables	2,550,661,544,853	2,550,371,544,853
Total	**30,933,482,163,679**	**28,137,077,993,857**

The Corporation's financial liabilities exclude taxes and amounts payable to the State Budget (Note 18).

Financial risk management

The Corporation is exposed to risks related to normal business activities including petroleum exploration, development and production activities. The Corporation operates under the regulations on the operation and financial management applicable to state-owned one member limited liability company and the charter and financial regulations issued the Corporation and other regulations promulgated by Vietnam Oil and Gas Group. These regulations are the foundation for the establishment of risk management policies for all financial activities of the Corporation.

Financial risks of the Corporation mainly include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Corporation has studied and has been adopting hedging measures and ways of financial risk governance.

31. FINANCIAL INSTRUMENTS (Continued)

Market risk

The Corporation's activities are exposed primarily to the financial risks of changes in price of crude oil, gas and materials, goods and services purchased for upstream operation, and changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Corporation undertakes various transactions denominated in foreign currencies (i.e, crude oil export, purchase of goods and services for upstream operations, acquisition of overseas petroleum assets); consequently, exposures to exchange rate fluctuations arise. The Corporation evaluates the Corporation has a stable source of foreign currency earnings from exports of crude oil. Such foreign currency revenues are sufficient to cover the debts, loans in foreign currencies as well as the Corporation's demands for use of currencies other than Viet Nam Dong ("VND") in the process of searching, exploring and producing oil and gas. Accordingly, the Corporation believes in its ability to manage foreign currency exchange risk at an acceptable level to ensure that no imbalance occurs.

The carrying amount of the Corporation's foreign-currency-denominated assets and liabilities at the end of the reporting period are as follows:

	Liabilites		Assets	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
	VND	VND	VND	VND
United States Dollar (USD)	27,190,388,217,093	22,248,942,216,003	7,973,068,650,870	12,964,236,298,594

Interest rate risk management

The Corporation is exposed to interest rate risks mainly arising from interest-bearing loans which are arranged. The Corporation manages interest rate risks by (1) closely monitoring relevant market movements to select the best interest rate to limit the magnitude of relevant risk exposure, (2) entering and adopting interest rate swap contracts (ISDA) and (3) maintaining an appropriate mix between fixed and floating rate borrowings, as follows:

	30/6/2012	31/12/2011
	VND	VND
Fixed rate		
Long-term loan	4,819,678,338,003	3,020,464,158,175
Floating rate		
Short-term loan	1,541,422,197,789	3,095,028,508,564
Long-term loan	13,435,140,095,981	9,604,077,333,133

Price risk management

The Corporation conducts activities in upstream operations. The prices of crude oil and gas, as well as prices of other input materials and related services are under the influence of domestic and global market factors, conditions and trends. Any fluctuation, either domestic or global sphere, can impact the Corporation.

Credit risk

Credit risk occurs when customer or business partner fails to meet its contractual obligation when due resulting in financial loss for the Corporation (term deposits in bank and receivables). The Corporation has established an appropriate credit policy and monitors the credit status of its customers and business partners ongoing basis, to assess credit risk exposure and accordingly, to make provisions for bad debts in accordance the prevailing relevant regulations or to make provision based on estimated recoverable amounts.

31. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management

The Corporation has taken numerous actions to manage liquidity risk to ensure the availability of funds to meet present and future financial obligations and has quantified the excess of maturing liabilities over maturing assets in any period to manageable levels relative to the amount of funds that the Corporation believes can be generated within that period. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and long term.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with repayment periods and has been drawn up based on the undiscounted values of financial liabilities based on the earliest date on which the Corporation can be required to pay.

30/6/2012	Less than one year	Over one year	Total
	VND	VND	VND
Loans	5,332,305,222,190	14,463,935,409,583	19,796,240,631,773
Trade and other payables	1,130,468,190,512	-	1,130,468,190,512
Accruals	7,456,111,796,541	-	7,456,111,796,541
Other long-term payables	-	2,550,661,544,853	2,550,661,544,853
	13,918,885,209,243	**17,014,596,954,436**	**30,933,482,163,679**

31/12/2011	Less than one year	Over one year	Total
	VND	VND	VND
Loans	5,774,276,319,005	9,945,293,680,867	15,719,569,999,872
Trade and other payables	3,289,749,451,040	-	3,289,749,451,040
Accruals	6,577,386,998,092	-	6,577,386,998,092
Other long-term payables	-	2,550,371,544,853	2,550,371,544,853
	15,641,412,768,137	**12,495,665,225,720**	**28,137,077,993,857**

The Corporation anticipates the future cash flows and judges that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

The following table details the Corporation's expected maturity for its non-derivative financial assets and has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any.

30/6/2012	Less than one year	Over one year	Total
	VND	VND	VND
Cash and cash equivalents	7,907,827,880,528	-	7,907,827,880,528
Trade and other receivables	12,362,884,962,034	-	12,362,884,962,034
Long-term receivables from customers	-	212,057,392,351	212,057,392,351
Other financial assets	-	192,095,625,865	192,095,625,865
	20,270,712,842,562	**404,153,018,216**	**20,674,865,860,778**

31/12/2011	Less than one year	Over one year	Total
	VND	VND	VND
Cash and cash equivalents	6,041,302,953,450	-	6,041,302,953,450
Trade and other receivables	9,067,402,107,520	-	9,067,402,107,520
Long-term receivables from customers	-	212,057,392,351	212,057,392,351
Other financial assets	-	195,585,352,569	195,585,352,569
	15,108,705,060,970	**407,642,744,920**	**15,516,347,805,890**

32. CONTIGENT LIABILITIES

The Prime Minister issued Decision No. 40/2007/QD-TTg on 21 March 2007 concerning removal of fixed works, equipment and facilities in service of petroleum exploration and production activities. Accordingly, within one year since the first oil and gas, organizations and individuals must set up a reserve to fulfil financial obligations for such decommissioning cost. As at 30 June 2012, the Corporation had made provision for such decommissioning costs relating to Dai Hung mine and certain oil block as stipulated in petroleum contracts. The Corporation has been researching and assessing necessary decommissioning costs for which petroleum blocks are yet to be provided so as to form a basis for proper and adequate decommissioning provision.

33. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Corporation entered into the following significant transactions with related parties:

Sale of labour services:

	From 01/01/2012 to 30/6/2012 VND	From 01/01/2011 to 30/6/2011 VND
Sale of providing labour service to contractors	105,798,509,158	298,842,178,149

Sale to the entities within the Group:

	From 01/01/2012 to 30/6/2012 VND	From 01/01/2011 to 30/6/2011 VND
Vietnam Oil and Gas Group	134,402,346,485	122,638,649,228
PetroVietnam Gas Corporation	1,951,795,309,563	1,815,731,580,090
PetroVietnam Oil Corporation	1,675,376,406,095	1,535,735,586,553
Binh Son Refining and Petrochemical Company Limited	6,046,851,045,604	-

Related party balances at the balance sheet date were as follows:

	30/6/2012 VND	31/12/2011 VND
Receivables		
Trade receivables entrusted to PetroVietnam Oil Corporation for collection	4,134,153,239,193	3,673,954,975,230
PetroVietnam Oil Corporation	68,825,220,832	591,551,338,860
PetroVietnam Gas Corporation	4,530,393,815,782	1,666,993,493,527
PetroVietnam Technical Services Corporation (PTSC)	390,788,652,286	407,069,582,923
Vietnam Oil and Gas Group	161,862,032,836	138,361,113,852
PetroVietnam Construction Joint Stock Corporation	146,197,780,297	142,011,145,166
PetroVietnam Drilling and Well Services Coporation	3,197,566,333	2,238,472,854
Binh Son Refining and Petrochemical Company Limited	1,064,561,318,408	34,366,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**

These notes are integral part and should be read in conjunction with the accompanying consolidated financial statements

33. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

	30/6/2012 VND	31/12/2011 VND
Payables		
PetroVietnam Oil Corporation	22,543,273,377	15,778,759,603
Shipping Enterprise - PTSC	26,530,448,580	6,268,364,945
Drilling Mud Joint Stock Corporation	6,396,099,595	-
PetroVietnam Drilling and Well Services Corporation	49,690,904,632	204,946,509
PVI South	8,710,976,583	19,641,594
PTSC SUPPLY BASE COMPANY LTD	1,533,970,603	3,335,064,944
PTSC Offshore Services Co. Ltd	7,066,793,018	333,732,193
Advances to suppliers		
PetroVietnam Construction Joint Stock Corporation	3,354,949,100	8,935,442,726

	30/6/2012 VND	31/12/2011 VND
Investment entrusted to PVFC	1,400,000,000,000	200,000,000,000
Loan obtained from PVFC for exploration projects	4,819,678,338,003	3,020,464,158,175

34. COMPARATIVE FIGURES

Comparative figures are the figures on the audited consolidated financial statements for the year ended 31 December 2011 and reviewed consolidated financial statements for the period from 01 January 2011 to 30 June 2011.

(signed and sealed)

Do Van Khanh
President & CEO

(signed)

Dinh Van Duc
Chief of Accountant

Hanoi, 26 April 2012

TRANSLATION

VIETNAM OIL AND GAS GROUP
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2012

HANOI, 31 DECEMBER 2012

Tôi là: **Nguyễn Thị Lê**; CMND số: 013001266; cấp ngày 04/03/2010; nơi cấp: Công an thành phố Hà Nội;

cam đoan chịu trách nhiệm về tính chính xác của bản dịch từ tiếng Việt sang tiếng Anh trên và ký tên dưới đây.

I, **Nguyen Thi Le**, the undersigned; ID card No.: 013001266 issued on March 4, 2010 by Hanoi Public Security, do hereby assure and be responsible for the accuracy of the above translation from Vietnamese into English.

Người dịch (Translator)

Nguyễn Thị Lê

Ngày 08 tháng 03 năm 2013
On March 8, 2013,

Tại Phòng Tư pháp Thạch Thất-Hà Nội,

Chứng thực bà **Nguyễn Thị Lê**; CMND số: 013001266; cấp ngày 04/03/2010; nơi cấp: Công an thành phố Hà Nội; là người dịch, có chữ ký bên là đúng.

At the Thach That Justice Bureau, I do hereby certify that Miss **Nguyen Thi Le**; ID card No.: 013001266 issued on March 4, 2010 by Hanoi Public Security, is the translator and her affixed signature is true.

Số chứng thực: 222 Quyển số 01 SCT/CK
Certification No................Book No.........SCT/CK

TRƯỞNG PHÒNG TƯ PHÁP THẠCH THẤT-HÀ NỘI
THE DIRECTOR OF JUSTICE BUREAU OF THACH THAT- HANOI

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM PHÒNG TƯ PHÁP H. THẠCH THẤT - TP. HÀ NỘI

Trần Lan Hương

BỘ NGOẠI GIAO NƯỚC CHXHCN VIỆT NAM
MINISTRY OF FOREIGN AFFAIRS OF THE S.R. OF VIETNAM

CHỨNG NHẬN / HỢP PHÁP HÓA LÃNH SỰ
CONSULAR AUTHENTICATION

1. Quốc gia .... Viet Nam ....
Country

Giấy tờ, tài liệu này
This public document

2. do Ông (Bà) .... Trần Lan Hương .... ký
has been signed by
3. với chức danh ...... Head of Division ....
acting in the capacity of
4. và con dấu của ..... Justice Office of Thach That, Ha Noi
bears the seal/stamp of City
....

được chứng nhận / hợp pháp hóa lãnh sự
Certified

5. tại .... Hanoi .... 6. ngày 11 /03 / 2013 ...
at *the (dd/mm/yyyy)*
7. Cơ quan cấp Consular Department ....
by
8. Số 0007979 ... /CLS ..
Nº

Ký tên và đóng dấu
Signature and seal/stamp

Deputy Chief of Division of Consular Department

Nguyễn Thị Bích Hằng

EMBASSY OF THE REPULIC OF THE
UNION OF MYANMAR
HANOI

Certified the signature and seal of ...Nguyen...Thi...Bich...Hang... of Consular Department of the Ministry of Foreign Affairs of the Socialist Republic of Vietnam is true and authentic. The Embassy, however, assumes no responsibility for the contents

(Soe Thet Naung)
Counsellor

REG.No. 139 /2013
DATE: 12-3-2013

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BALANCE SHEET

As at 31 December 2012

ASSETS	Code	Note	31/12/2012 (VND)	31/12/2011 (VND)
A- CURRENT ASSETS (100=110+120+130+140+150)	**100**		**24,523,244,282,641**	**17,356,520,675,142**
I, Cash and cash equivalents	**110**		**13,491,144,757,010**	**6,041,302,953,450**
1, Cash	111	V.1	3,951,945,757,010	5,621,802,953,450
2. Cash equivalents	112		9,539,199,000,000	419,500,000,000
II. Short-term financial investments	**120**		-	-
1. Short-term investments	121		-	-
2. Provision for devaluation of short-term investments	129		-	-
III. Short-term receivables	**130**		**10,840,216,666,018**	**9,962,524,245,555**
1. Trade accounts receivable	131	V.2	9,832,567,532,741	8,786,825,901,789
2. Advances to suppliers	132		103,409,592,557	78,472,215,291
3. Short-term internal receivables	133	V.3	-	-
4. Receivables according to process of construction contracts	134		-	-
5. Other receivables	135	V.4	401,650,745,370	337,843,271,557
6. Advances to operators	136	V.5	576,821,750,932	816,649,922,744
7. Provision of doubtful short-term debts	139		(74,232,955,582)	(57,267,065,826)
IV. Inventories	**140**	**V.6**	**154,710,667,376**	**1,286,092,643,888**
1. Inventories	141		1,672,839,871	840,865,863,422
2. Construction and business in progress	141		153,037,827,505	834,569,775,944
3. Provision for devaluation of inventories	149		-	(389,342,995,478)
V. Other short-term assets	**150**		**37,172,192,237**	**66,600,832,249**
1. Short-term prepayments.	151	V.7	14,903,312,526	767,451,262
2..VAT deductibles	152		1,213,859,374	47,446,479,512
3. Taxes and other receivables from the State budget	154		990,915,569	-
4. Other short-term assets	158	V.8	20,064,104,768	18,386,901,475

BALANCE SHEET

As at 31 December 2012

ASSETS (Continued)	Code	Note	31/12/2012 (VND)	31/12/2011 (VND)
B – NON-CURRENT ASSETS (200=210+220+240+250+260)	**200**		**89,680,036,729,410**	**73,349,766,102,098**
I. Long-term receivables	**210**		**331,339,675,549**	**212,057,392,351**
1. Long-term receivables from customers	211	V.2	331,339,675,549	212,057,392,351
2. Investments in dependent units	212		-	-
3. Long-term internal receivables	213		-	-
4. Other long-term receivables	218			-
4. Provisions for doubtful long-term receivables	219		-	-
II. Fixed assets	**220**		**425,770,697,557**	**1,027,205,889,787**
1. Tangible fixed assets	221	V.9	408,176,099,674	642,819,161,539
- Cost	222		602,805,801,628	1,442,774,127,777
- Accumulated amortization	223		(194,629,701,954)	(799,954,966,238)
2. Financial lease assets	224		-	-
- Cost	225			-
- Accumulated amortization	226		-	-
3. Intangible fixed assets	227	V.10	7,067,447,236	17,230,858,707
- Cost	228		63,903,732,697	70,117,995,376
- Accumulated amortization	229		(56,841,285,461)	(52,887,136,669)
4. Construction in progress	230		10,532,150,647	367,155,869,541
III. Investment real estates	240		-	-
- Cost	241		-	-
- Accumulated amortization	242		-	-
IV. Long-term financial investments	**250**		**1,546,850,650,715**	**458,493,343,816**
1. Investments in subsidiaries	**251**	V.11	-	-
2. Investments in associates and joint ventures	252		1,546,850,650,715	158,493,343,816
3. Other long-term investments	258		-	-
4. Provisions for devaluation of long-term financial investments	259		-	-
V, Other long-term assets	**260**		**87,376,075,705,589**	**71,652,009,476,143**
1. Long-term prepayments	261	V.12	45,579,242,974,938	47,160,343,379,284
2. Deferred taxes	262		-	-
3. Petroleum search and exploration expenditure	263	V.13	17,516,071,487,653	15,588,398,544,935
4. Mine development expenditure	264	V.14	24,218,824,850,998	8,710,146,605,258
5. Other long-term assets	268		61,936,392,000	193,120,946,666
6. Goodwill from KSDLTB				
TOTAL ASSETS (270=100+200)	**270**		**114.203,281,012,051**	**90,706,286,777,240**

VIETNAM OIL AND GAS GROUP
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

BALANCE SHEET

As at 31 December 2012

RESOURCES	Code	Note	31/12/2012 (VND)	31/12/2011 (VND)
A – LIABILITIES (300=310+330)	**300**		**51,367,719,929,632**	**41,637,618,634,573**
I, Current liabilities	**310**		**20,810,682,574,698**	**26,413,460,841,293**
1, Short-term loans and liabilities	311	**V.15**	4,232,890,786,874	5,774,276,319,005
2. Trade accounts payable	312	**V.16**	98,901,894,017	3,109,181,413,744
3. Advances from customers	313		105,600,000	133,637,687
4. Taxes and amounts payable to State Budget	314	**V.17**	4,385,093,886,516	7,204,768,213,138
5. Payables to employees	315		84,529,991,187	101,134,134,893
6. Accrued expenses	316	**V.18**	6,934,448,927,669	6,577,386,998,092
7. Inter-company payables – to the Group	317	**V.19**	4,158,177,855,550	2,981,781,337,749
8. Advances to petroleum contracts	318	**V.5**	594,312,966,767	421,008,944,113
9. Other short-term payables	319	**V.20**	298,176,101,488	187,139,082,995
10. Inter-company payable to subsidiaries	133	**V.3**	-	-
11. Bonus and welfare funds	431	**V.23**	24,044,564,630	56,650,759,877
II. Long-term liabilities	**330**		**30,557,037,354,934**	**15,224,157,793,280**
1. Long-term payables to suppliers	331		-	-
2. Long-term inter-company payables	332		-	-
3. Other long-term payables	333	**V.20**	3,150,876,242,796	2,550,371,544,853
4. Long-term loans and liabilities	334	**V.15**	19,892,664,899,133	9,945,293,680,867
5. Deferred tax liabilities	335		7,294,133,318,513	2,510,647,505,608
6. Provisions for severance allowance	336		-	1,785,750,748
7. Provisions for long-term payables	337		-	-
8. Unearned revenue	338	**V.20**	205,802,894,492	216,059,311,203
9. Science and technology fund	339		13,560,000,000	
B- EQUITY (400=410+430)	**400**		**62,835,561,082,419**	**49,068,668,142,668**
I. Owner's equity	**410**		**62,835,561,082,419**	**49,068,668,142,668**
1. Owner's invested capital	411	**V.21**	51,800,000,000,000	41,000,000,000,000
2. Share capital premiums	412		-	-
3. Other capital of owner	413		-	-
4. Treasury stock	414		-	-
5. Asset revaluation deference	415		-	-
6. Foreign exchange difference	416		-	(41,889,548,987)
7. Investment and development fund	417	**V.22**	3,746,775,302,191	2,501,019,238,186
8. Financial reserve fund	418	**V.23**	7,282,898,113,139	5,602,731,834,578
9. Other funds belonging to owner's capital	419		-	-
10. Retained earnings	420	**V.30**	5,887,667,089.2	6,806,618,941
11. Capital construction resource	421	**V.23**	-	
II. Other funds, resources	430		-	-
1. Funds	432		-	-
2. Funds forming fixed assets	433		-	-
TOTAL RESOURCES (440=300+400)	**440**		**114,203,281,012,051**	**90,706,286,777,240**

ITEMS OUTSIDE THE BALANCE SHEET

Items	Note	31/12/2012	31/12/2011
1. Outsourced assets		-	-
2. Materials, goods held in trust, for processing		-	-
3. Goods held for sale, in trust, or as security		-	-
4. Written off bad debts		-	-
5. Foreign currencies (USD)	V.1	124,473,344.17	200,287,407.88
6. Estimated spending on business, projects		-	-

Hanoi, 7 February 2013

Tabulator	Chief of Accountant	President & CEO
(Signed)	*(Signed)*	*(Signed and sealed)*
Bui Thi Minh Thuy	**Dinh Van Duc**	**Do Van Khanh**

STATEMENT OF INCOME

As at 31 December 2012

ITEMS	Code	Note	2012 VND	2011 VND
1. Gross sales	01	V.24	66,286,784,116,113	52,985,061,611,270
2. Deductions	02		1,832,832,964,673	1,669,323,523,401
+ SCT, Export duty, VAT	07	V.25	1,832,832,964,673	1,669,323,523,401
3. Net sales (10=01-02)	10		64,453,951,151,440	51,315,738,087,869
4. Cost of sales	11	V.26	30,878,298,673,662	21,228,023,294,744
5. Gross profit (20=10-11)	20		33,575,652,477,778	30,087,714,793,125
6. Financial income	21	V27	663,344,851,414	1,393,759,254,480
7. Financial expenses	22	V.27	1,349,438,285,846	2,372,135,472,230
- Including: Interest expense	23		*1,143,736,460,204*	*765,423,223,720*
8. Selling expenses	24	V.28	51,885,981,548	30,154,540,073
9. Operating expenses	25		857,777,623,047	979,053,409,672
10. Net operating profit (30=20+(21-22)-(24+25)	30		31,979,925,438,751	28,100,130,625,630
11. Other income	31		65,172,825,178	27,680,223,545
12. Other expenses	32		124,570,255,769	102,013,792,986
13. Profit from other activities (40=31-32)	40		(59,397,430,591)	(74,333,569,441)
14. Accounting profit before accounting tax (50=30+40)	50	V.29	31,920,528,008,160	28,025,797,056,189
15. Current corporate income tax expense	51	V.29	13,280,501,763,679	13,923,444,756,798
16. Deferred corporate tax expense	52		1,365,346,387,033	323,765,787,100
17. Share of net (loss)/ profit of joint ventures, associates			871,756,710	449,103,750
18. Net profit after corporate income tax (60=50-51-52)	60	V.30	17,275,551,614,158	13,779,035,616,041

Hanoi, 7 February 2013

Tabulator	**Chief of Accountant**	**President & CEO**
(Signed)	*(Signed)*	*(Signed and sealed)*
Bui Thi Minh Thuy	**Dinh Van Duc**	**Do Van Khanh**

VIETNAM OIL AND GAS GROUP
PETROVIETNAM EXPLORATION PRODUCTION CORPORATION LTD.

STATEMENT OF CASHFLOW

(By direct method)
From 01/01/2012 – 31/12/2012

ITEMS	Code		01/01/12 – 31/12/12
CASH FLOWS FROM OPERATING ACTWITIES			
1. Income from sales and others	01		93,642,771,423,416
2. Supplier expense	02	-	2,477,220,012,350
3. Employee expense	03	-	203,983,249,575
4. Interest expense	04	-	1,029,485,730,232
5. Tax expense to host country	05	-	53,943,572,232,225
6. Income (expense) due from (to) other activities	06	-	3,873,215,671,898
7. Other expenses due to operating activities	07		
Net cash flow from operating activities	**20**		**32,115,294,527,136**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	-	30,878,782,793
2. Proceeds from disposal and sale of fixed assets and other long-term assets	22		135,086,439
3. Lending, financial investments	23	-	29,772,269,230,831
4. Cash received from loans, financial investments	24		
5. Cash advanced to operators	25	-	21,609,885,017,082
6. Cash received from investments in other units	26		20,171,144,230,831
7. Cash received from lending interest, dividends and distributed profit	27		259,449,696,210
8. Cash received/(paid) from (to) investment activities			
Cash flows from investment activities	**30**		**(30,982,304,017,226)**
CASH FLOWS FROM FINANCIAL ACTIVITIES			
1. Cash received from capital contribution of owner	31		8,298,480,761,814
2. Cash paid for contributions of owners	32		-
3. Received short-term and long-term loans	33		11,604,129,791,608
4. Cash paid as repayment of principal	34	-	6,031,642,050,07
5. Cash paid as payment of financial lease	35		
6. Dividends, profit paid to owners	36	-	7,544,167,079,651
Net cash from financing activities	**40**		**6,326,801,423,692**
Net cash flow in the period	**50**		**7,459,791,933,602**
Cash and cash equivalents at the beginning of the period	**60**		**5,982,565,836,412**
Effect from exchange rate movements	61		48,786,986,996
Cash and cash equivalents at the end of the period	**70**		**13,491,144,757,010**

TẬP ĐOÀN DẦU KHÍ QUỐC GIA VIỆT NAM

TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ

BÁO CÁO TÀI CHÍNH

TẠI NGÀY 31 THÁNG 12 NĂM 2012

HÀ NỘI, NGÀY 31 THÁNG 12 NĂM 2012

Nội dung		**Trang**

ẬP ĐOÀN DẦU KHÍ QUỐC GIA VIỆT NAM
TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ

BẢNG CÂN ĐỐI KẾ TOÁN

Tại ngày 31 tháng 12 năm 2012

TÀI SẢN	Mã số	Thuyết minh	31/12/2012 VNĐ	31/12/2011 VNĐ
A- TÀI SẢN NGẮN HẠN (100=110+120+130+140+150)	**100**		**24.523.244.282.641**	**17.356.520.675.142**
I. Tiền và các khoản tương đương tiền	**110**		**13.491.144.757.010**	**6.041.302.953.450**
1. Tiền	111	V.1	3.951.945.757.010	5.621.802.953.450
2. Các khoản tương đương tiền	112		9.539.199.000.000	419.500.000.000
II. Các khoản đầu tư tài chính ngắn hạn	**120**		-	-
1. Đầu tư ngắn hạn	121		-	-
2. *Dự phòng giảm giá đầu tư ngắn hạn*	129		-	-
III. Các khoản phải thu ngắn hạn	**130**		**10.840.216.666.018**	**9.962.524.245.555**
1. Phải thu khách hàng	131	V.2	9.832.567.532.741	8.786.825.901.789
2. Trả trước cho người bán	132		103.409.592.557	78.472.215.291
3. Phải thu nội bộ ngắn hạn	133	V.3	-	-
4. Phải thu theo tiến độ kế hoạch hợp đồng XD	134		-	-
5. Các khoản phải thu khác	135	V.4	401.650.745.370	337.843.271.557
6. Ứng vốn cho nhà điều hành	136	V.5	576.821.750.932	816.649.922.744
7. Dự phòng phải thu ngắn hạn khó đòi	139		(74.232.955.582)	(57.267.065.826)
IV. Hàng tồn kho	**140**	**V.6**	**154.710.667.376**	**1.286.092.643.888**
1. Hàng tồn kho	141		1.672.839.871	840.865.863.422
2. Chi phí SXKD dở dang	141		153.037.827.505	834.569.775.944
3. Dự phòng giảm giá hàng tồn kho	149		-	(389.342.995.478)
V. Tài sản ngắn hạn khác	**150**		**37.172.192.237**	**66.600.832.249**
1. Chi phí trả trước ngắn hạn	151	V.7	14.903.312.526	767.451.262
2. Thuế GTGT được khấu trừ	152		1.213.859.374	47.446.479.512
3. Thuế và các khoản khác phải thu Nhà nước	154		990.915.569	-
4. Tài sản ngắn hạn khác	158	V.8	20.064.104.768	18.386.901.475

BẢNG CÂN ĐỐI KẾ TOÁN

Tại ngày 31 tháng 12 năm 2012

TÀI SẢN (Tiếp)	Mã số	Thuyết minh	31/12/2012 VNĐ	31/12/2011 VNĐ
B- TÀI SẢN DÀI HẠN (200=210+220+240+250+260)	**200**		**89.680.036.729.410**	**73.349.766.102.098**
I. Các khoản phải thu dài hạn	**210**		**331.339.675.549**	**212.057.392.351**
1. Phải thu dài hạn của khách hàng	211	V.2	331.339.675.549	212.057.392.351
2. Vốn kinh doanh ở đơn vị trực thuộc	212		-	-
3. Phải thu dài hạn nội bộ	213		-	-
4. Phải thu dài hạn khác	218		-	-
5. Dự phòng phải thu dài hạn khó đòi	219		-	-
II. Tài sản cố định	**220**		**425.770.697.557**	**1.027.205.889.787**
1. Tài sản cố định hữu hình	221	V.9	408.176.099.674	642.819.161.539
- Nguyên giá	222		602.805.801.628	1.442.774.127.777
- Giá trị hao mòn lũy kế	223		(194.629.701.954)	(799.954.966.238)
2. Tài sản cố định thuê tài chính	224		-	-
- Nguyên giá	225		-	-
- Giá trị hao mòn lũy kế	226		-	-
3. Tài sản cố định vô hình	227	V.10	7.062.447.236	17.230.858.707
- Nguyên giá	228		63.903.732.697	70.117.995.376
- Giá trị hao mòn lũy kế	229		(56.841.285.461)	(52.887.136.669)
4. Chi phí xây dựng cơ bản dở dang	230		10.532.150.647	367.155.869.541
III. Bất động sản đầu tư	**240**		-	-
- Nguyên giá	241		-	-
- Giá trị hao mòn lũy kế	242		-	-
IV. Các khoản đầu tư tài chính dài hạn	**250**		**1.546.850.650.715**	**458.493.343.816**
1. Đầu tư vào công ty con	251	V.11	-	-
2. Đầu tư vào công ty liên kết, liên doanh	252		1.546.850.650.715	458.493.343.816
3. Đầu tư dài hạn khác	258		-	-
4. Dự phòng giảm giá đầu tư tài chính dài hạn	259		-	-
V. Tài sản dài hạn khác	**260**		**87.376.075.705.589**	**71.652.009.476.143**
1. Chi phí trả trước dài hạn	261	V.12	45.579.242.974.938	47.160.343.379.284
2. Tài sản thuế thu nhập hoãn lại	262		-	-
3. Chi phí tìm kiếm thăm dò dầu khí	263	V.13	17.516.071.487.653	15.588.398.544.935
4. Chi phí phát triển mỏ	264	V.14	24.218.824.850.998	8.710.146.605.258
5. Tài sản dài hạn khác	268		61.936.392.000	193.120.946.666
6. Lợi thế thương mại từ KSDLTB				
TỔNG CỘNG TÀI SẢN (270=100+200)	**270**		**114.203.281.012.051**	**90.706.286.777.240**

BẢNG CÂN ĐỐI KẾ TOÁN

Tại ngày 31 tháng 12 năm 2012

NGUỒN VỐN	Mã số	Thuyết minh	31/12/2012 VNĐ	31/12/2011 VNĐ
A- NỢ PHẢI TRẢ (300=310+330)	**300**		**51.367.719.929.632**	**41.637.618.634.573**
I. Nợ ngắn hạn	**310**		**20.810.682.574.698**	**26.413.460.841.293**
1. Vay và nợ ngắn hạn	311	V.15	4.232.890.786.874	5.774.276.319.005
2. Phải trả người bán	312	V.16	98.901.894.017	3.109.181.413.744
3. Người mua trả tiền trước	313		105.600.000	133.637.687
4. Thuế và các khoản phải nộp Nhà nước	314	V.17	4.385.093.886.516	7.204.768.213.138
5. Phải trả người lao động	315		84.529.991.187	101.134.134.893
6. Chi phí phải trả	316	V.18	6.934.448.927.669	6.577.386.998.092
7. Phải trả nội bộ - Tập đoàn	317	V.19	4.158.177.855.550	2.981.781.337.749
8. Vốn phải ứng cho các hợp đồng dầu khí	318	V.5	594.312.966.767	421.008.944.113
9. Các khoản phải trả, phải nộp ngắn hạn khác	319	V.20	298.176.101.488	187.139.082.995
10. Phải trả nội bộ - Công ty con	133	V.3	-	-
11. Quỹ khen thưởng, phúc lợi	431	V.23	24.044.564.630	56.650.759.877
II. Nợ dài hạn	**330**		**30.557.037.354.934**	**15.224.157.793.280**
1. Phải trả dài hạn người bán	331		-	-
2. Phải trả dài hạn nội bộ	332		-	-
3. Phải trả dài hạn khác	333	V.20	3.150.876.242.796	2.550.371.544.853
4. Vay và nợ dài hạn	334	V.15	19.892.664.899.133	9.945.293.680.867
5. Thuế thu nhập hoãn lại phải trả	335		7.294.133.318.513	2.510.647.505.608
6. Dự phòng trợ cấp mất việc làm	336		-	1.785.750.748
7. Dự phòng phải trả dài hạn	337		-	-
8. Doanh thu chưa thực hiện	338	V.20	205.802.894.492	216.059.311.203
9. Quỹ Khoa học Công Nghệ	339		13.560.000.000	
B- VỐN CHỦ SỞ HỮU (400=410+430)	**400**		**62.835.561.082.419**	**49.068.668.142.668**
I. Vốn chủ sở hữu	**410**		**62.835.561.082.419**	**49.068.668.142.668**
1. Vốn đầu tư của chủ sở hữu	411	V.21	51.800.000.000.000	41.000.000.000.000
2. Thặng dư vốn cổ phần	412		-	-
3. Vốn khác của chủ sở hữu	413		-	-
4. Cổ phiếu quỹ	414		-	-
5. Chênh lệch đánh giá lại tài sản	415		-	-
6. Chênh lệch tỷ giá hối đoái	416		-	(41.889.548.987)
7. Quỹ đầu tư phát triển	417	V.22	3.746.775.302.191	2.501.019.238.186
8. Quỹ dự phòng tài chính	418	V.23	7.282.898.113.139	5.602.731.834.528
9. Quỹ khác thuộc vốn sở hữu	419		-	-
10. Lợi nhuận sau thuế chưa phân phối	420	V.30	5.887.667.089,2	6.806.618.941
11. Nguồn vốn đầu tư xây dựng cơ bản	421	V.23	-	-
			-	
II. Nguồn kinh phí, quỹ khác	**430**		-	-
1. Nguồn kinh phí	432		-	-
2. Nguồn kinh phí hình thành TSCĐ	433		-	-
TỔNG CỘNG NGUỒN VỐN (440=300+400)	**440**		**114.203.281.012.051**	**90.706.286.777.240**

TẬP ĐOÀN DẦU KHÍ QUỐC GIA VIỆT NAM
TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ

CÁC CHỈ TIÊU NGOÀI BẢNG CÂN ĐỐI KẾ TOÁN

Chỉ tiêu	Thuyết minh	31/12/2012	31/12/2011
1. Tài sản thuê ngoài		-	-
2. Vật tư, hàng hoá nhận giữ hộ, nhận gia công		-	-
3. Hàng hoá nhận bán hộ, nhận ký gửi, ký cược		-	-
4. Nợ khó đòi đã xử lý		-	-
5. Ngoại tệ các loại (đồng USD)	V.1	124.473.344,17	200.287.407,88
6. Dự toán chi sự nghiệp, dự án		-	-

Hà Nội, ngày 7 tháng 2 năm 2013

Người lập biểu	Kế toán trưởng	Tổng Giám đốc
Bùi Thị Minh Thuý	Đinh Văn Đức	Đỗ Văn Khạnh

M.S.D.N: 0100150906-C.T.T.N.H.H TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ Q. CẦU GIẤY - TP. HÀ

TẬP ĐOÀN DẦU KHÍ QUỐC GIA VIỆT NAM
TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ

BÁO CÁO KẾT QUẢ HOẠT ĐỘNG KINH DOANH

Tại ngày 31 tháng 12 năm 2012

CHỈ TIÊU	Mã số	Thuyết minh	Năm 2012 VNĐ	Năm 2011 VNĐ
1. Doanh thu bán hàng và cung cấp dịch vụ	01	V.24	66.286.784.116.113	52.985.061.611.270
2. Các khoản giảm trừ doanh thu	02		1.832.832.964.673	1.669.323.523.401
+ Thuế TTĐB, thuế XK phải nộp, thuế GTGT	07	V.25	1.832.832.964.673	1.669.323.523.401
3. Doanh thu thuần về bán hàng và cung cấp dịch vụ (10=01-02)	10		64.453.951.151.440	51.315.738.087.869
4. Giá vốn hàng bán	11	V.26	30.878.298.673.662	21.228.023.294.744
5. Lợi nhuận gộp về hàng bán và cung cấp dịch vụ (20=10-11)	20		33.575.652.477.778	30.087.714.793.125
6. Doanh thu hoạt động tài chính	21	V.27	663.344.851.414	1.393.759.254.480
7. Chi phí tài chính	22	V.27	1.349.438.285.846	2.372.135.472.230
- Trong đó: Chi phí lãi vay	23		*1.143.736.460.204*	*765.423.223.720*
8. Chi phí bán hàng	24	V.28	51.855.981.548	30.154.540.073
9. Chi phí quản lý doanh nghiệp	25		857.777.623.047	979.053.409.672
10. Lợi nhuận thuần từ hoạt động kinh doanh 30=20+(21-22)-(24+25)	30		31.979.925.438.751	28.100.130.625.630
11. Thu nhập khác	31		65.172.825.178	27.680.223.545
12. Chi phí khác	32		124.570.255.769	102.013.792.986
13. Lợi nhuận khác (40=31-32)	40		(59.397.430.591)	(74.333.569.441)
14. Tổng lợi nhuận kế toán trước thuế (50=30+40)	50	V.29	31.920.528.008.160	28.025.797.056.189
15. Chi phí thuế TNDN hiện hành	51	V.29	13.280.501.763.679	13.923.444.756.798
16. Chi phí thuế TNDN hoãn lại	52		1.365.346.387.033	323.765.787.100
17. Phần lợi nhuận thuần trong công ty liên kết/liên doanh			871.756.710	449.103.750
18. Lợi nhuận sau thuế thu nhập doanh nghiệp (60=50-51-52)	60	V.30	17.275.551.614.158	13.779.035.616.041

Hà Nội, ngày 7 tháng 2 năm 2013

Người lập biểu	Kế toán trưởng	Tổng Giám đốc
Bùi Thị Minh Thuý	Đinh Văn Đức	Đỗ Văn Khạnh

TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ

TẬP ĐOÀN DẦU KHÍ QUỐC GIA VIỆT NAM
TỔNG CÔNG TY THĂM DÒ KHAI THÁC DẦU KHÍ

BÁO CÁO LƯU CHUYỂN TIỀN TỆ
(Theo phương pháp trực tiếp)
Từ 01/01/2012 - 31/12/2012

CHỈ TIÊU	Mã số	01/01/12 - 31/12/12
LƯU CHUYỂN TIỀN TỪ HOẠT ĐỘNG KINH DOANH		
1. Tiền thu từ bán hàng, cung cấp dịch vụ và doanh thu khác	01	93.642.771.423.416
2. Tiền chi trả cho người cung cấp hàng hóa và dịch vụ	02	- 2.477.220.012.350
3. Tiền chi trả cho người lao động	03	- 203.983.249.575
4. Tiền chi trả lãi vay	04	- 1.029.485.730.232
5. Tiền chi nộp các loại thuế, nộp lãi nước chủ nhà	05	- 53.943.572.232.225
6. Tiền thu/(chi) khác từ hoạt động kinh doanh	06	- 3.873.215.671.898
7. Tiền chi khác cho hoạt động kinh doanh	07	
Lưu chuyển tiền thuần từ hoạt động kinh doanh	**20**	**32.115.294.527.136**
LƯU CHUYỂN TIỀN TỪ HOẠT ĐỘNG ĐẦU TƯ		
1.Tiền chi để mua sắm, xây dựng tài sản cố định và các tài sản dài hạn khác	21	- 30.878.782.793
2.Tiền thu từ thanh lý, nhượng bán TSCĐ và các tài sản dài hạn khác	22	135.086.439
3. Tiền chi cho vay, đầu tư tài chính	23	- 29.772.269.230.831
4.Tiền thu hồi cho vay, bán lại các công cụ nợ của đơn vị khác	24	
5. Tiền chi ứng vốn cho nhà điều hành	25	- 21.609.885.017.082
6. Tiền thu hồi đầu tư góp vốn vào đơn vị khác	26	20.171.144.230.831
7. Tiền thu lãi cho vay, cổ tức và lợi nhuận được chia	27	259.449.696.210
8. Tiền thu/(chi) khác từ hoạt động đầu tư		
Lưu chuyển tiền thuần từ hoạt động đầu tư	**30**	**(30.982.304.017.226)**
LƯU CHUYỂN TIỀN TỪ HOẠT ĐỘNG TÀI CHÍNH		
1.Tiền thu từ nhận vốn góp của chủ sở hữu	31	8.298.480.761.814
2.Tiền chi trả vốn góp cho các chủ sở hữu	32	-
3. Tiền vay ngắn hạn, dài hạn nhận được	33	11.604.129.791.608
4. Tiền chi trả nợ gốc vay	34	- 6.031.642.050.079
5. Tiền chi trả nợ thuê tài chính	35	
6. Cổ tức, lợi nhuận đã trả cho chủ sở hữu	36	- 7.544.167.079.651
Lưu chuyển tiền thuần từ hoạt động tài chính	**40**	**6.326.801.423.692**
Lưu chuyển tiền thuần trong kỳ	**50**	**7.459.791.933.602**
Tiền và tương đương tiền đầu kỳ	**60**	**5.982.565.836.412**
Ảnh hưởng của thay đổi tỷ giá hối đoái quy đổi ngoại tệ	61	48.786.986.996
Tiền và tương đương tiền cuối kỳ	**70**	**13.491.144.757.010**